

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

PEOPLES BANCORP INC

CIK: **318300** | IRS No.: **310987416** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-16772** | Film No.: **99670864**
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Business Address
138 PUTNAM ST
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MARIETTA OH 45750
6143733155

***** SAMPLE FOR Y2K TESTING *****

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

July 19, 1999

Date of Report (Date of earliest event reported)

PEOPLES BANCORP INC.

(Exact name of Registrant as specified in its charter)

0-16772

Commission File Number

Ohio

(State or other jurisdiction of incorporation)

31-0987416

(I.R.S. Employer
Identification Number)

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

(Address of principal executive offices)

45750

(Zip Code)

Registrant's telephone number, including area code:
(614) 373-3155

Not applicable

(Former name or former address, if changed since last report)

Index to Exhibits on page 3

- Item 1. Changes in Control of Registrant
Not applicable.
- Item 2. Acquisition or Disposition of Assets
Not applicable.
- Item 3. Bankruptcy or Receivership
Not applicable.
- Item 4. Changes in Registrant's Certifying Accountant
Not applicable.
- Item 5. Other Events

On July 19 1999, Peoples Bancorp Inc. announced earnings for the second quarter ended June 30, 1999. The release is included herewith as Exhibit 99.

- Item 6. Resignations of Registrant's Directors
Not applicable.
- Item 7. Financial Statements and Exhibits
 - (a) Non required
 - (b) Non required
 - (c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
99	News Release issued July 19, 1999

- Item 8. Change in Fiscal Year
Not applicable.
- Item 9. Sales of Equity Securities Pursuant to Regulation S
Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: July 19, 1999

PEOPLES BANCORP INC.

Registrant

By: /s/ ROBERT E. EVANS
Robert E. Evans
President and Chief Executive Officer

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Exhibit Number	Description	Page
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NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: John W. Conlon, Chief Financial Officer
(740) 373-3155

July 19, 1999

PEOPLES BANCORP INC. REPORTS SECOND QUARTER RESULTS

Quarterly operating earnings per share increase 5.3%

MARIETTA, Ohio - Peoples Bancorp Inc.'s (Nasdaq: PEBO) operating income was \$2,549,000 for the second quarter of 1999, up 1.1%, and \$5,179,000 for the first six months of 1999, up 5.7%, compared to the same periods a year earlier. Operating earnings per diluted share were \$0.40 for the second quarter of 1999, an increase of 5.3%, and \$0.80 for the first half of 1999, an increase of 6.7%, compared to \$0.38 and \$0.75 during the same periods in 1998.

Operating earnings exclude nonrecurring pretax gains of \$427,000 reported in the second quarter of 1998, resulting from gains on securities transactions. The effect of the nonrecurring gain was to increase net income by \$278,000, or \$0.04 per share. Including the gains on securities transactions, earnings per diluted share were \$0.43 for the second quarter of 1998 with net income totaling \$2,800,000.

Cash basis operating earnings per share were \$0.47 for the second quarter of 1999, up 9.3% from \$0.43 in 1998's second quarter. For the first six months of 1999, cash basis operating earnings per share reached \$0.94, an increase of 13.3% compared to the same period a year earlier. Cash basis earnings provide investors with a comparison of the Company's financial results with competitors that make acquisitions using pooling of interest accounting.

In April, 1999, the Company issued \$30 million of 8.62% Capital Securities ("Capital Securities") through PEBO Capital Trust I, a newly formed subsidiary. The Capital Securities, due May 1, 2029, are considered equity under regulatory guidelines and allowed the Company to leverage its financial position, which led to an increase in earning assets of \$174.7 million to \$970.1 million at June 30, 1999, up 22.0% compared to March 31, 1999. In addition, the Company announced intentions to repurchase up to 5% (or 315,000 shares) of its outstanding common shares.

The combination of asset growth and continued improvement in the quality of the Company's earning asset base contributed to increased operating earnings. Compared to the same period a year earlier, net interest income grew \$1,256,000 (or 15.3%) to \$9,460,000 for the second quarter of 1999. For the first half of 1999, net interest income increased \$1,955,000 (or 12.0%) to \$18,203,000. The Company's ratio of allowance for loan losses improved to 1.68% at June 30, 1999, compared to 1.67% at year-end 1998.

The Company reported second quarter non-interest income of \$1,820,000, an increase of 14.5% compared to the same period a year earlier. For the six months ended June 30, 1999, the Company reported non-interest income of \$3,664,000, up 14.2% compared to 1998. In the second quarter of 1999, non-interest expense increased \$1,640,000 (or 30.1%) to \$7,084,000. For the six months ended June 30, 1999, non-interest expense totaled \$13,320,000, up 22.7% compared to the same period a year earlier. Non-interest income and non-interest expense increased due primarily to an acquisition of multiple banking centers in mid-1998. This acquisition resulted in additional revenues from deposit account service fees as well as increased costs for salaries and benefits, and increased intangible amortization expense related to purchase accounting. In addition, non-interest expense increased due to debt service costs on the Capital Securities.

Robert E. Evans, Peoples Bancorp's President and Chief Executive Officer, commented, "We are pleased with results of operations. We expected the second quarter to be a period of transition, considering we issued the Capital Securities and leveraged our balance sheet. Since most of our asset growth occurred late in the second quarter, we should really see the benefit of the

second quarter leverage strategy in the third quarter of 1999 and beyond."

Peoples Bancorp Inc. is a diversified financial services holding company headquartered in Marietta, Ohio, with over \$1 billion in assets. Peoples Bancorp, which is Y2K ready, operates 36 financial service locations in the states of Ohio, West Virginia, and Kentucky. Peoples Bancorp's banking subsidiaries include The Peoples Banking and Trust Company with offices in Ohio and West Virginia; The First National Bank of Southeastern Ohio with three Ohio offices; and Peoples Bank FSB, with four Kentucky offices. Through its subsidiaries, Peoples Bancorp offers complete banking services and makes available other financial services, such as trust services, and investment and insurance products. Peoples Bancorp's common stock is traded through the Nasdaq National Market System under the symbol "PEBO". Learn more about Peoples Bancorp at www.peoplesbancorp.com.

<TABLE>
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PEOPLES BANCORP INC. (Nasdaq: PEBO)
Financial Highlights

	Three Months Ended		Six Months Ended	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Operating earnings (a)	\$2,549,000	\$2,522,000	\$5,179,000	\$4,898,000
Net income	\$2,549,000	\$2,800,000	\$5,179,000	\$5,176,000
Cash basis earnings (b)	\$3,005,000	\$3,073,000	\$6,092,000	\$5,720,000
Per share:				
Basic operating earnings (a)	\$0.41	\$0.40	\$0.82	\$0.77
Diluted operating earnings (a)	\$0.40	\$0.38	\$0.80	\$0.75
Basic net income	\$0.41	\$0.44	\$0.82	\$0.82
Diluted net income	\$0.40	\$0.43	\$0.80	\$0.79
Basic cash basis operating earnings (a) (b)	\$0.48	\$0.44	\$0.97	\$0.86
Diluted cash basis operating earnings (a)	\$0.47	\$0.43	\$0.94	\$0.83
(b)				
Basic cash basis net income (b)	\$0.48	\$0.49	\$0.97	\$0.90
Diluted cash basis net income (a) (b)	\$0.47	\$0.47	\$0.94	\$0.87
Basic weighted average shares outstanding	6,281,877	6,329,995	6,298,652	6,325,825
Diluted weighted average shares outstanding	6,443,357	6,551,252	6,452,820	6,540,332
Return on average equity (a)	11.90%	13.82%	12.01%	12.89%
Cash basis return on average equity (a) (b)	18.63%	17.94%	18.81%	16.90%
Return on average assets (a)	1.04%	1.39%	1.12%	1.31%
Cash basis return on average assets (a) (b)	1.26%	1.55%	1.35%	1.47%
Net interest margin (fully tax equivalent)	4.36%	4.55%	4.45%	4.58%

<FN>

(a) For comparability, certain 1998 ratios and statistics exclude gains on securities transactions of \$427,000 pretax (\$278,000 or \$0.04 per share).
(b) Excludes after-tax impact of intangible amortization expense and removes balance sheet effect of intangible assets acquired through use of purchase accounting for acquisitions.

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PEOPLES BANCORP INC. CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	June 30, 1999	December 31, 1998
ASSETS		

Cash and cash equivalents	\$ 27,208	\$ 40,121
Available-for-sale investment securities, at estimated fair value	350,936	235,569
Loans, net of unearned interest	600,586	567,917
Allowance for loan losses	(10,119)	(9,509)
Net loans	590,467	558,408
Bank premises and equipment	14,886	14,826
Other assets	37,516	31,360
TOTAL ASSETS	\$1,021,013	\$ 880,284
LIABILITIES		
Non-interest bearing deposits	\$ 76,300	\$ 80,884
Interest bearing deposits	616,869	633,284
Total deposits	693,169	714,168
Short-term borrowings (includes securities sold under repurchase agreements)	61,640	32,514
Long-term borrowings	150,501	40,664
Accrued expenses and other liabilities	7,303	6,924
TOTAL LIABILITIES	912,613	794,270
Guaranteed preferred beneficial interests in junior subordinated debentures	29,001	---
STOCKHOLDERS' EQUITY		
Common stock, no par value (6,380,718 shares issued and 6,246,041 outstanding at June 30, 1999)	64,984	50,807
Accumulated comprehensive (loss) income, net of deferred income taxes	(4,303)	3,588
Retained earnings	22,406	33,441
Treasury stock, at cost (134,677 shares at June 30, 1999)	(3,688)	(1,822)
TOTAL STOCKHOLDERS' EQUITY	79,399	86,014
TOTAL LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY	\$1,021,013	\$ 880,284

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PEOPLES BANCORP INC. CONDENSED STATEMENTS OF INCOME

(in thousands)	Three Months Ended		Six Months Ended	
	6/30/99	6/30/98	6/30/99	6/30/98
<S>	<C>	<C>	<C>	<C>
Interest income	\$ 17,622	\$ 15,735	\$ 33,607	\$ 31,099
Interest expense	8,162	7,531	15,404	14,851
Net interest income	9,460	8,204	18,203	16,248
Provision for loan losses	447	546	984	1,242
Net interest income after provision for loan losses	9,013	7,658	17,219	15,006
Other income	1,820	1,590	3,664	3,208
Gain on securities transactions	1	427	1	431
Other expense	7,084	5,444	13,320	10,858
Income before federal income taxes	3,750	4,231	7,564	7,787

Federal income taxes	1,201	1,431	2,385	2,611
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NET INCOME	\$ 2,549	\$ 2,800	\$ 5,179	\$ 5,176
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END OF RELEASE

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