

Nasdaq: PEBO

April 22, 2010



***Welcome ...***  
***Shareholders and Guests***

***ANNUAL MEETING OF SHAREHOLDERS***

# Discussion items

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- **Peoples Bancorp overview.**
- **Economic and financial review.**
- **Strategies.**
- **Summary.**

Keep it all together.  
**You Can.**



BANKING. INSURANCE. INVESTMENTS.



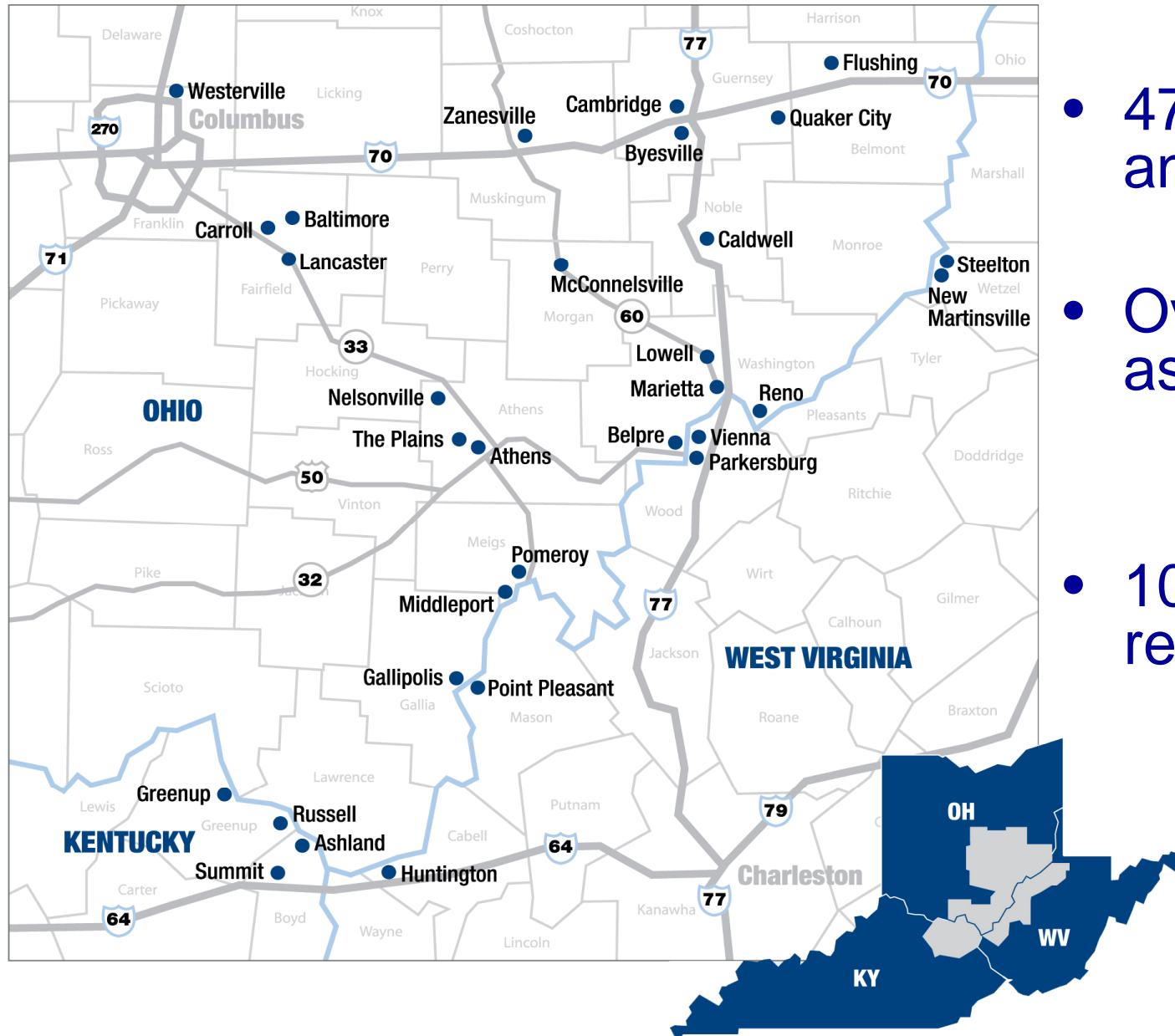
# **Disclaimer**



Please note and understand that commentary in this presentation may contain projections or other forward-looking statements regarding future events or Peoples Bancorp's ("Peoples") future financial performance. These statements are based on management's current expectations. The statements in this presentation which are not historical fact are forward looking statements that involve a number of risks and uncertainties, including, but not limited to, the interest rate environment; the effect of federal and/or state banking, insurance, and tax regulations; the effect of technological changes; the effect of economic conditions; the impact of competitive products and pricing; and other risks detailed in Peoples' Securities and Exchange Commission filings. Although management believes that the expectations in these forward-looking statements are based on reasonable assumptions within the bounds of management's knowledge of Peoples' business and operations, it is possible that actual results may differ materially from these projections. Peoples disclaims any responsibility to update these forward-looking statements.

- ***Financial holding company with 47 full-service financial offices in Ohio, West Virginia, and Kentucky.***
- ***Financial snapshot as of March 31, 2010:***
  - \$2.0 billion in total assets.
  - \$175 million market capitalization.
  - Average daily trading volume: 30,000 shares.
- ***Provide a broad range of banking, insurance, and investment services through:***
  - Peoples Bank.
  - Peoples Insurance Agency, LLC (*property & casualty, life, health*).
    - Putnam Agency.
    - Barengo Insurance Agency.
  - Peoples Financial Advisors (*investment services, brokerage, trust*).

# Our markets



- 47 locations and 39 ATMs.
- Over 500 associates.
- 100,000 client relationships.

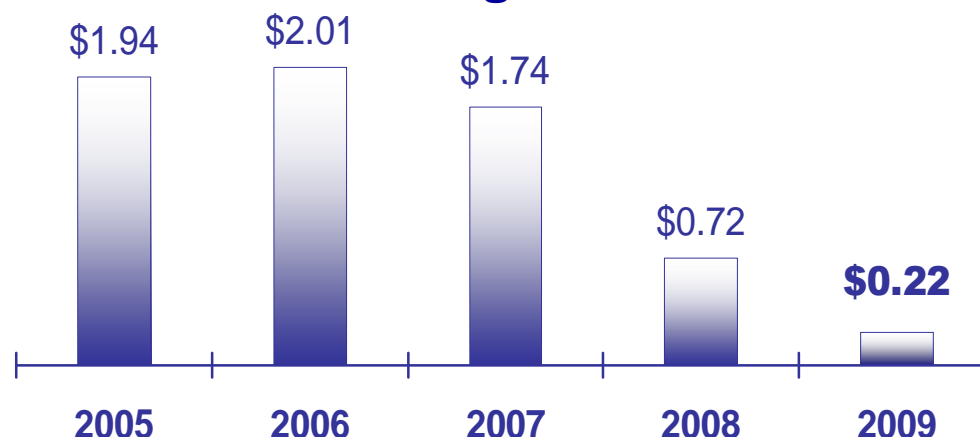
- **The global economy showing signs of improvement but high unemployment levels remain:**
  - Massive increases in government spending.
  - \$1.75 trillion expansion of Federal Reserve balance sheet to stabilize the financial system.
- **Continued fears of another “shoe to drop”:**
  - Commercial real estate woes.
  - Renewed decline in residential housing as foreclosures continue.
  - Double dip recession as stimulus is removed?
- **Government involvement in the financial system:**
  - “Re-regulation” of the banking system.
  - Solving “Too Big to Fail”.
  - Consumer protection agency.
  - Foreclosure mitigation efforts; “Principal Forgiveness”.
  - What to do with Fannie Mae & Freddie Mac?

# 2009 Financial Summary

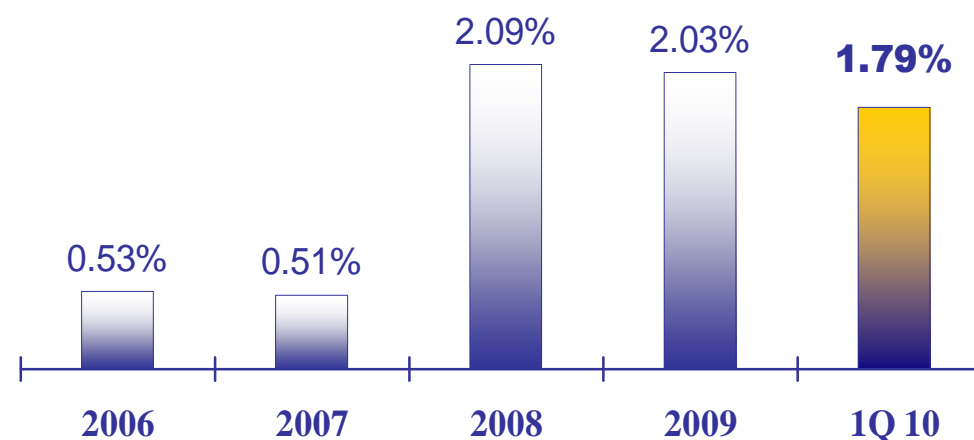


- Like many banks in 2009, PEBO's earnings were impacted by a sluggish economy and a distressed real estate market.
- Higher loan charge-offs and provision for loan losses.
- In 2009, impairment charges on investments totaled \$7.7 million, or \$0.48 per share.
- Non-performing assets have shown signs of stabilization.

## Earnings Per Share



## Non-performing Assets to Total Assets



# ***First Quarter 2010 Results***

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- Net income of \$0.8 million and diluted EPS of \$0.08
- Non-performing assets declined \$5 million from year end 2009 to \$35.9 million.
- Investment impairment charge of \$1.0 million (\$0.06 per share), which was the remaining CDO investment.
- Stable net interest income (\$15.4 million) and net interest margin (3.52%).
- Non-interest expense contained.
- Retail deposit balances grew \$43 million.
- Capital position remained strong.

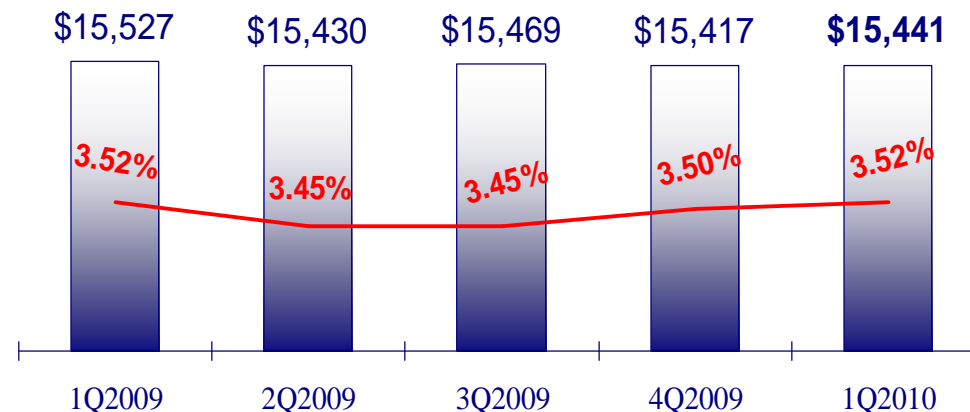


# A Focus on Net Interest Margin

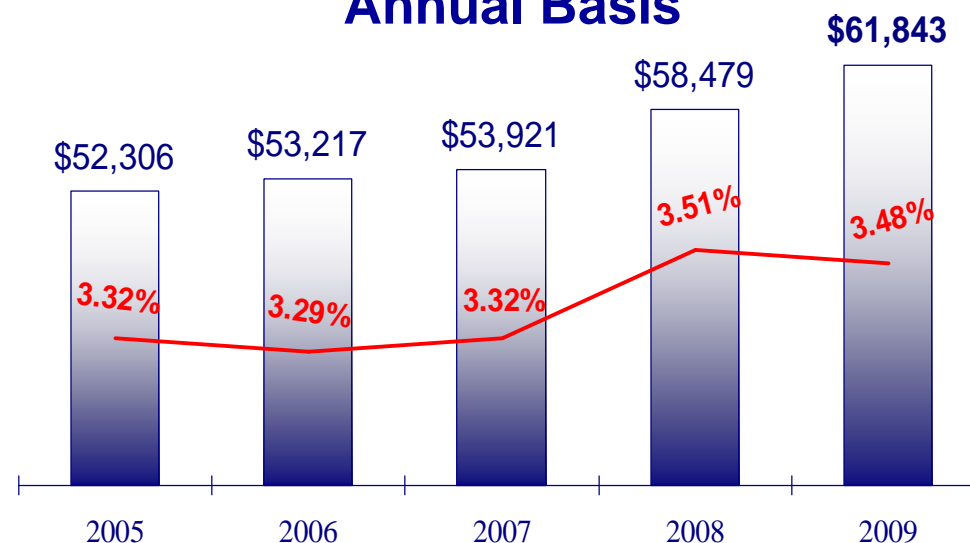


- Able to maintain margin while preparing balance sheet for rising rates.
- Reduction in higher cost borrowings.
- Maintaining strong core earnings stream.
- Strong liquidity: \$52 million in excess cash as of March 31, 2010.

**Net Interest Income (in 000s)  
and Net Interest Margin**



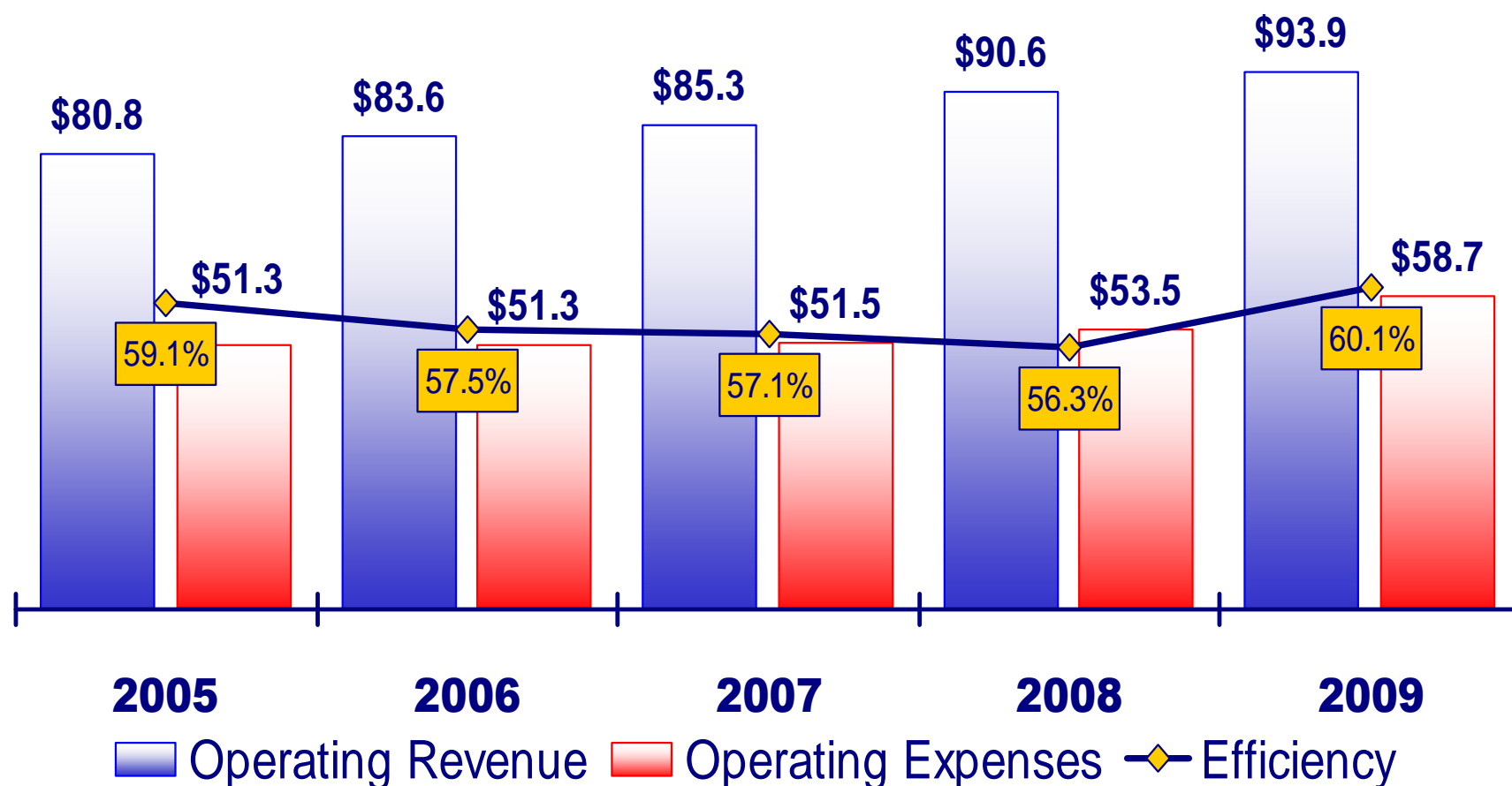
**Annual Basis**



# Operating Leverage



- FDIC expense increased from \$360,000 in 2008 to \$3,440,000 in 2009 (includes a \$900,000 special assessment).
- FDIC expense is “fixed” for the next 3 years at approximately \$3,000,000 / year.



# 2009 Results Versus Peers



**Peer = 35 Banks \$1-\$5 Billion in assets (IL, IN, KY, OH, MI, WV)**

## **Peoples Bancorp**

**Median  
REGIONAL  
PEERS**

**Return on Assets**

**0.21%**

**-0.04%**

**Return on Equity**

**1.17%**

**-0.28%**

**Net Interest Margin**

**3.48%**

**3.32%**

**Efficiency Ratio**

**60.14%**

**65.96%**

**Non-performing Assets/  
Assets**

**2.03%**

**3.79%**

**Loan Loss Reserve/ Loans**

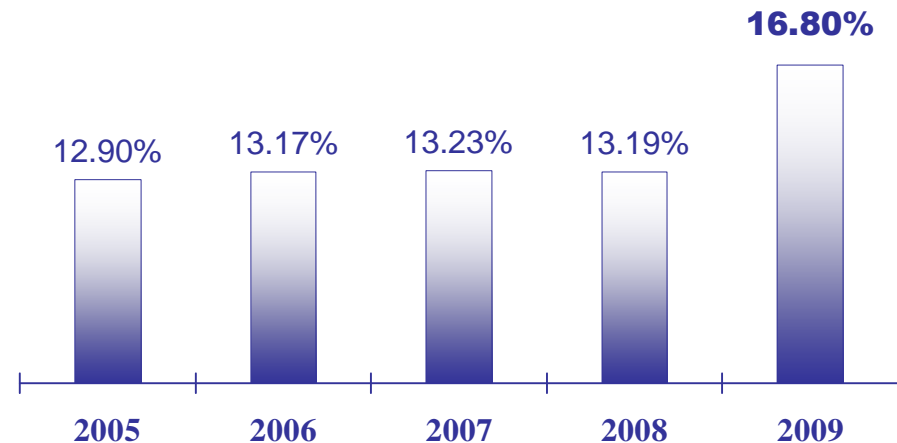
**2.59%**

**1.88%**

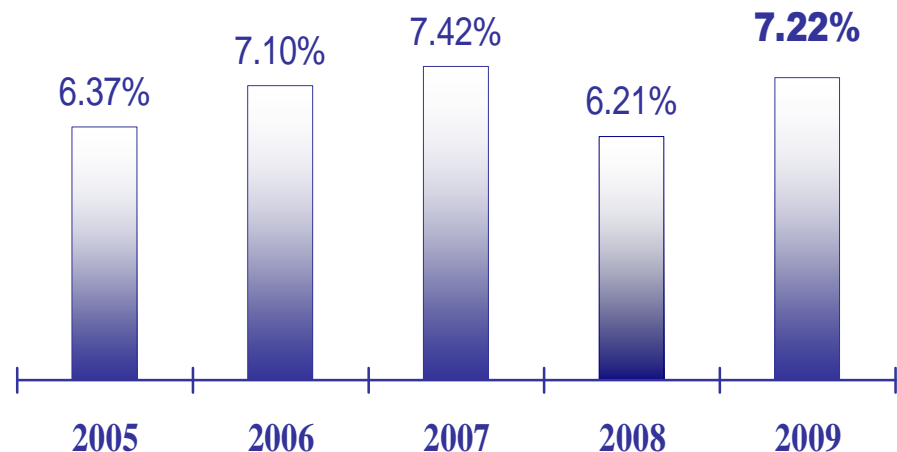
# Maintaining Strong Capital Levels

- Total capital is \$85 million above the regulatory well-capitalized minimum.
- Higher capital level:
  - protects against further economic declines.
  - allows for future expansion opportunities.

## Total Capital Ratio



## Tangible Common Equity to Tangible Assets Ratio



# 2009 Capital Levels Versus Peers

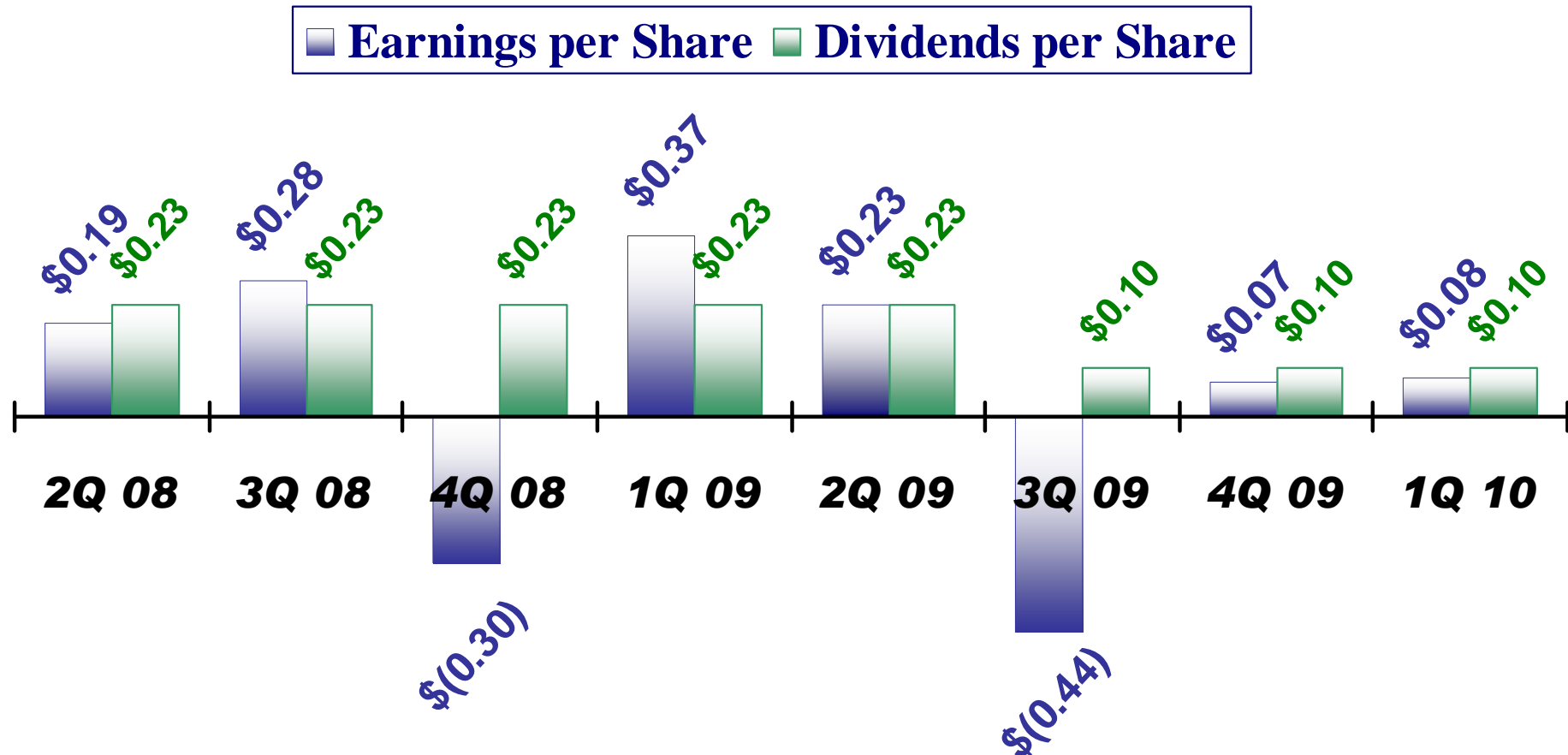


| Peer = 35 Banks \$1-\$5 Billion in assets (IL, IN, KY, OH, MI, WV) |        | Median<br><b>REGIONAL<br/>PEERS</b> |
|--|--------|-------------------------------------|
| <b>Peoples Bancorp</b>   |        |                                     |
| <b><u>TARP Metrics:</u></b>  |        |                                     |
| Total Capital Ratio  | 16.80% | 13.04%                              |
| Tangible Equity / Tangible Assets                                  | 9.21%  | 7.78%                               |
| <b><u>NON-TARP Metrics:</u></b>                                    |        |                                     |
| Tier 1 Common Capital Ratio  | 10.58% | 8.06%                               |
| Tangible Common Equity / Tangible Assets                           | 7.22%  | 6.10%                               |

# Earnings and Dividends: The Past 8 Quarters



- In 2009, lowered quarterly dividend to \$0.10 due to lower earnings.
- “Capital is still king” ... therefore dividend is evaluated each quarter.

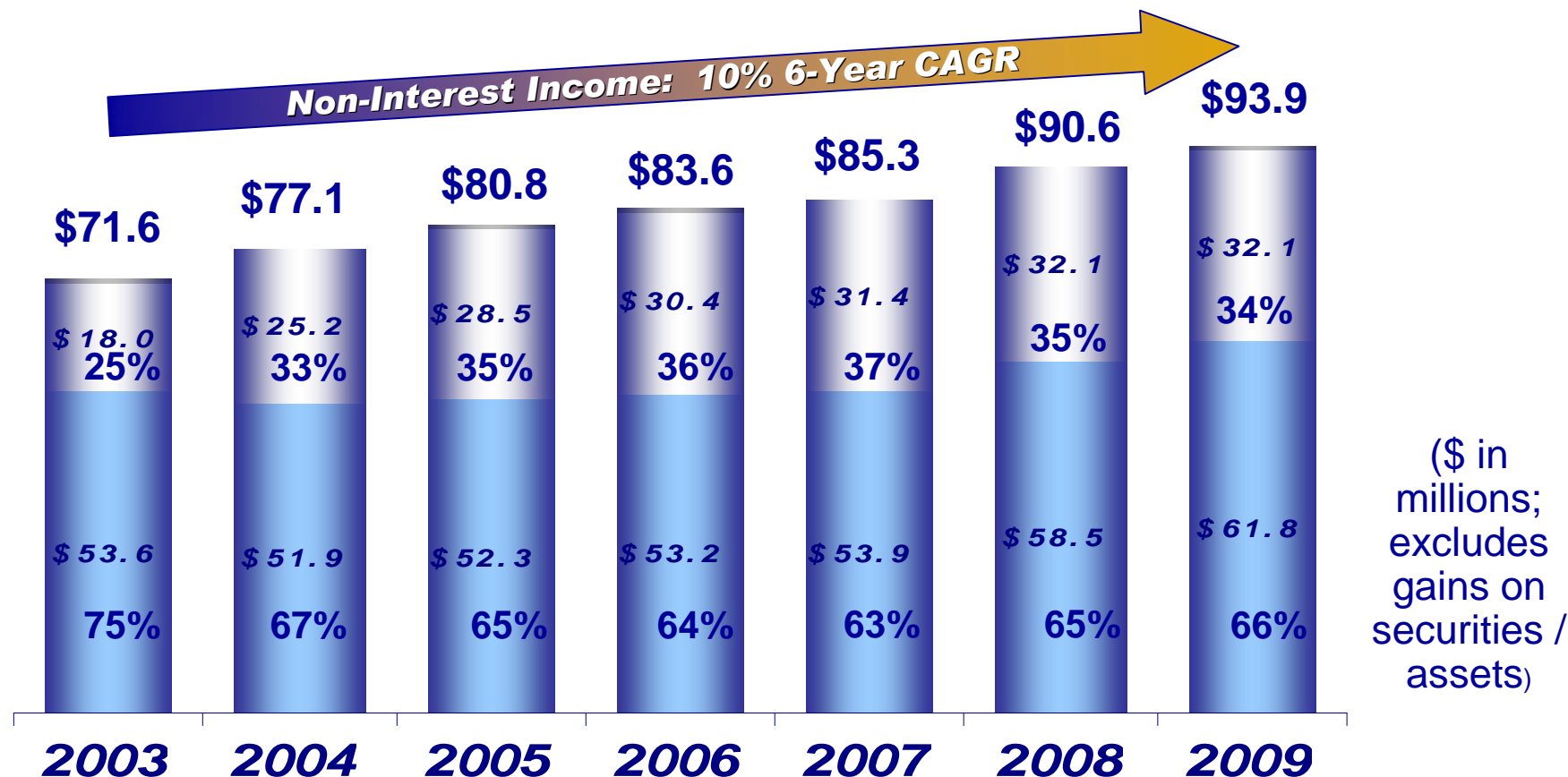


# Diversified Revenues



■ Net Interest Income

■ Non-Interest Income

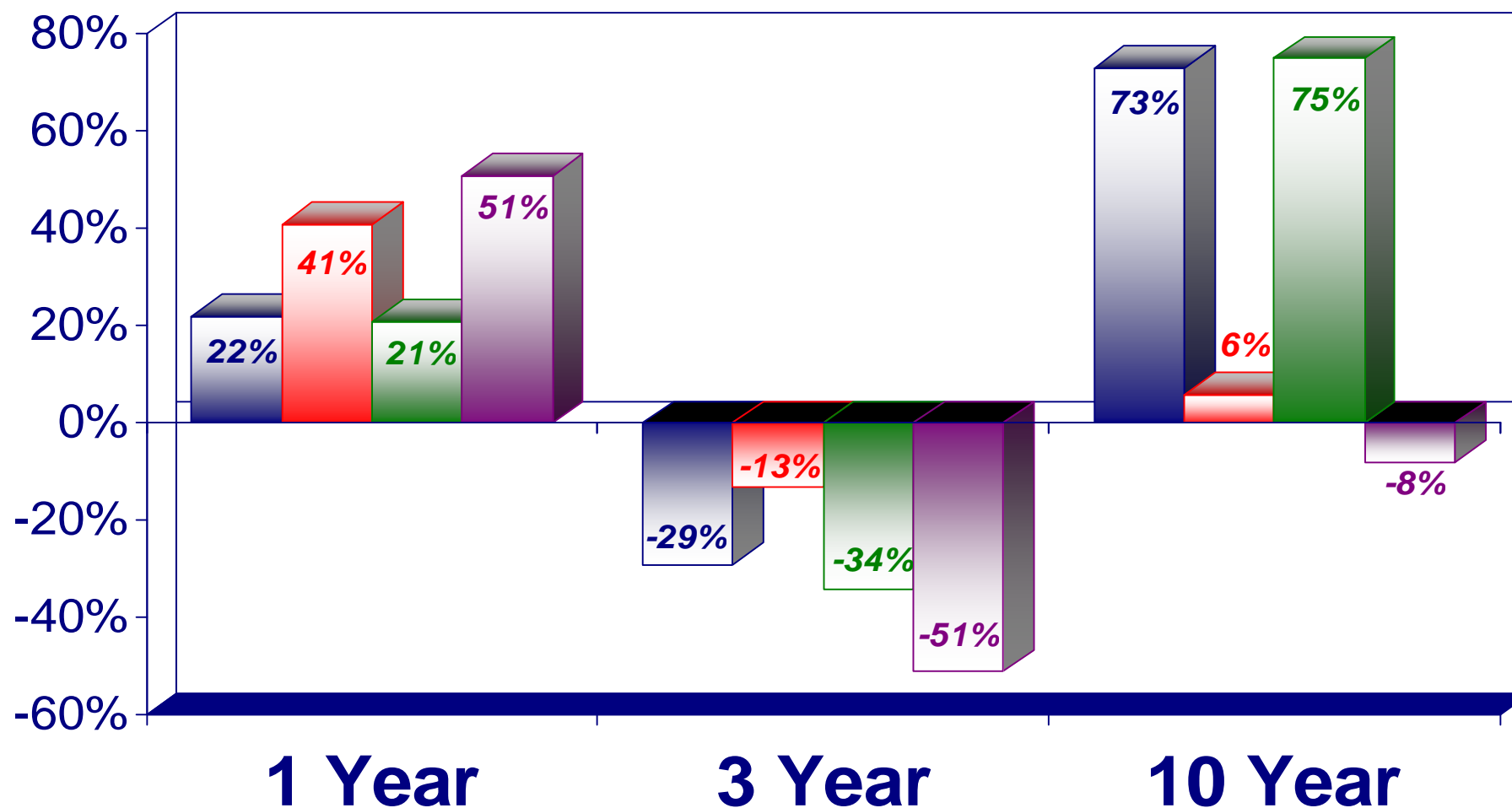


# PEBO stock price: Last 12 months





# Stock Performance: Total Return



■ Peoples Bancorp

■ SPX 500 Index

■ NASDAQ Bank Index

■ AMEX Financial Index



Strength and stability...  
Peace of mind...  
The right choice...  
**The right bank...**

It's good to know that some things never change. Especially when it comes to your financial security. At Peoples Bank, we're proud to be the local community bank that has not grown too big to take a responsible approach to the financial needs of each and every customer we serve. We've been doing business for over one hundred years and you can be assured that your money is safe, sound and secure with us. We have a strong record of financial stability and growth that has remained unshaken in these uncertain and questionable times. We care about our clients. Stop by and see just how different we are.



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- **The national media has not been “friendly” to community banks.**
- **In 2009, PEBO launched a new campaign stressing the safety and stability of Peoples Bank.**

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- **Mobile Banking.**
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- **New, improved credit card affiliation.**
- **New approach to small business banking.**

# Our Strategies

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- Maintain Focus on Long-Term Revenue Growth:
- Leverage Relationships with Current Clients:
  - Work across lines of business to meet all of our customers' financial needs.
  - Focus on the small business owner segment.
- Continued Evaluation of our Branch Footprint:
  - Expansion and addition in higher growth potential markets.
    - Central Ohio (Lancaster & Zanesville).
    - Wood County, WV.
  - Optimize efficiency in non-growth markets.
- Proactive Balance Sheet Management:
  - Grow deposits ... pay down borrowings.
  - Actively manage both sides of the balance sheet to reduce interest rate risk.
- Focus on Service:
  - Work together to uncover more client opportunities.
  - Recruiting and retaining the best people.

# Executive Management Team



| Officer                      | Title   | <u>Years of Experience</u> |                       |
|------------------------------|---|----------------------------|-----------------------|
|                              |   | Peoples Bancorp            | In Financial Services |
| <b>Mark F. Bradley</b>       | <i>President and CEO</i>                        | 18                         | 18                    |
| <b>Edward G. Sloane</b>      | <i>Chief Financial Officer / Treasurer</i>      | 2                          | 26                    |
| <b>Joseph S. Yazombek</b>    | <i>EVP, Chief Credit Officer</i>                | 26                         | 32                    |
| <b>Daniel K. McGill</b>      | <i>EVP, Chief Commercial Lending Officer</i>    | 1                          | 28                    |
| <b>Richard W. Stafford</b>   | <i>EVP, Retail Banking</i>                      | 1                          | 22                    |
| <b>Carol A. Schneeberger</b> | <i>EVP, Operations</i>                          | 32                         | 33                    |
| <b>David T. Wesel</b>        | <i>EVP, Investment &amp; Insurance Services</i> | 6                          | 8                     |

# ***Executive summary***

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- Our strategies are built on personalized approach to satisfying our clients' full-service financial needs.
  - Banking, Investments, Insurance.
- Diversified, revenue stream.
- Asset quality showing signs of stabilization.
- Efficient structure and operations.
- Strong capital position.



**Questions?**

***Mark F. Bradley***

***President and Chief Executive Officer***

***Edward G. Sloane***

***Chief Financial Officer and Treasurer***

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