PEOPLES BANCORP AND SUBSIDIARIES

Consolidated Condensed Statements of Income (Unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2009	2008	2009	2008
Interest Income:	h		****	***
Loans	\$4,457,478	\$5,293,428	\$14,107,144	\$16,784,643
Securities	1,416,176	940,296	3,703,118	2,789,808
Other interest and dividend income	48,844	114,434	104,811	399,436
	5,922,498	6,348,158	17,915,073	19,973,887
Interest Expense:				
NOW and savings deposits	187,262	313,872	629,327	1,024,809
Certificates of deposit	1,467,424	1,539,593	4,377,376	5,751,557
Short-term borrowings	1,281	1,042	4,441	11,178
Federal Home Loan Bank advances	852,554	771,207	2,510,477	2,232,380
	2,508,521	2,625,714	7,521,621	9,019,924
Net Interest Income	3,413,977	3,722,444	10,393,452	10,953,963
Provision for losses on loans	177,129	200,000	433,224	359,960
Net Interest Income After Provision				
for Losses on Loans	3,236,848	3,522,444	9,960,228	10,594,003
Non-Interest Income:				
Trust income	85,724	89,647	301,044	331,855
Net gains on sale of loans	328,048	49,595	582,980	159,077
Gains/(loss) on sale of securities	(9)	147,506	331,558	250,216
Fees and service charges	307,209	295,675	872,129	1,000,124
Other income	134,929	151,300	322,411	358,122
	855,901	733,723	2,410,122	2,099,394
Non-Interest Expense:				
Salaries and employee benefits	1,724,363	1,699,970	5,231,318	5,127,690
Net occupancy expenses	222,855	258,672	729,902	783,795
Equipment expenses	212,406	207,677	665,059	450,516
Data processing expense	89,622	195,309	267,454	767,149
Deposit insurance expense	231,500	9,636	407,000	30,047
Other expenses	553,577	582,542	1,727,464	1,929,858
	3,034,323	2,953,806	9,028,197	9,089,055
Income Before Income Tax	1,058,426	1,302,361	3,342,153	3,604,342
Income tax expense	204,070	357,140	714,353	1,084,711
Net Income	\$854,356	\$945,221	\$2,627,800	\$2,519,631
Basic Income Per Common Share	\$0.32	\$0.33	\$0.96	\$0.84
Diluted Income Per Common Share	\$0.32	\$0.33	\$0.96	\$0.84
Dividends Declared Per Common Share	\$0.19	\$0.19	\$0.57	\$0.57