PEOPLES BANCORP AND SUBSIDIARIES

Consolidated Condensed Statements of Income
(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
	2009	**2008**	**2009**	**2008**
Interest Income:				
Loans	**$4,798,171**	$5,677,789	**$9,649,666**	$11,491,215
Securities	**1,165,184**	965,255	**2,286,942**	1,849,512
Other interest and dividend income	**(4,200)**	162,146	**55,967**	285,002
	5,959,155	6,805,190	**11,992,575**	13,625,729
Interest Expense:				
NOW and savings deposits	**194,924**	330,790	**442,065**	710,937
Certificates of deposit	**1,474,148**	1,931,368	**2,909,952**	4,211,964
Short-term borrowings	**1,294**	4,192	**3,160**	10,136
Federal Home Loan Bank advances	**823,186**	791,997	**1,657,923**	1,461,173
	2,493,552	3,058,347	**5,013,100**	6,394,210
Net Interest Income	**3,465,603**	3,746,843	**6,979,475**	7,231,519
Provision for losses on loans	**100,000**	151,102	**256,095**	159,960
Net Interest Income After Provision for Losses on Loans	**3,365,603**	3,595,741	**6,723,380**	7,071,559
Non-Interest Income:				
Trust income	**90,260**	100,326	**215,320**	242,207
Net gains on sale of loans	**221,783**	76,227	**254,932**	109,483
Gains/(loss) on sale of securities	**191,574**	103,365	**331,567**	102,710
Fees and service charges	**264,255**	330,385	**564,920**	704,449
Other income	**84,744**	130,370	**187,482**	206,821
	852,616	740,673	**1,554,221**	1,365,670
Non-Interest Expense:				
Salaries and employee benefits	**1,806,152**	1,770,155	**3,506,954**	3,427,719
Net occupancy expenses	**256,418**	291,241	**507,047**	525,123
Equipment expenses	**223,164**	145,460	**452,653**	242,839
Data processing expense	**91,609**	288,003	**177,833**	571,840
Deposit insurance expense	**125,250**	10,096	**175,500**	20,411
Other expenses	**601,849**	716,160	**1,173,886**	1,347,317
	3,104,442	3,221,115	**5,993,873**	6,135,249
Income Before Income Tax	**1,113,777**	1,115,299	**2,283,728**	2,301,980
Income tax expense	**242,492**	328,693	**510,284**	727,571
Net Income	**$871,285**	$786,606	**$1,773,444**	$1,574,409
Basic Income Per Common Share	**$0.32**	**$0.26**	**$0.64**	$0.51
Diluted Income Per Common Share	**$0.32**	**$0.26**	**$0.64**	$0.51
Dividends Declared Per Common Share	**$0.19**	**$0.19**	**$0.38**	$0.38

See notes to consolidated condensed financial statements.