

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
	<u>5,959,155</u>	<u>6,805,190</u>	<u>11,992,575</u>	<u>13,625,729</u>
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
	<u>2,493,552</u>	<u>3,058,347</u>	<u>5,013,100</u>	<u>6,394,210</u>
Net Interest Income	<u>3,465,603</u>	<u>3,746,843</u>	<u>6,979,475</u>	<u>7,231,519</u>
Provision for losses on loans	<u>100,000</u>	<u>151,102</u>	<u>256,095</u>	<u>159,960</u>
Net Interest Income After Provision for Losses on Loans	<u>3,365,603</u>	<u>3,595,741</u>	<u>6,723,380</u>	<u>7,071,559</u>
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
	<u>852,616</u>	<u>740,673</u>	<u>1,554,221</u>	<u>1,365,670</u>
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
	<u>3,104,442</u>	<u>3,221,115</u>	<u>5,993,873</u>	<u>6,135,249</u>
Income Before Income Tax	<u>1,113,777</u>	<u>1,115,299</u>	<u>2,283,728</u>	<u>2,301,980</u>
Income tax expense	<u>242,492</u>	<u>328,693</u>	<u>510,284</u>	<u>727,571</u>
Net Income	<u>\$871,285</u>	<u>\$786,606</u>	<u>\$1,773,444</u>	<u>\$1,574,409</u>
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.