



PEOPLES BANCORP

212 West 7th Street
Auburn, Indiana 46706
(260) 925-2500
www.peoplesbancorp.us

December 23, 2010

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of Peoples Bancorp (the "Company"), the Holding Company for Peoples Federal Savings Bank of DeKalb County (the "Bank"). The Meeting will be held at the LaQuinta Inn, located at 306 Touring Drive, Auburn, Indiana 46706 on Wednesday, January 26, 2011 at 2:00 P.M. local time.

As described in the accompanying materials, the Stockholders are being asked at the Annual Meeting to elect two Directors and to approve the appointment of the Company's Independent Auditors. During the Meeting, members of the Company's management will also report on operations and other matters affecting the Company and will be available to respond to Stockholder's questions.

Your vote is very important regardless of the number of shares you own. **On behalf of the Board of Directors, I urge you to mark, sign, and date your proxy card today and return it in the provided envelope, even if you plan to attend the Annual Meeting.** This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Your continued support of and interest in Peoples Bancorp is sincerely appreciated.

Sincerely,

G. Richard Gatton
Chairman of the Board



PEOPLES BANCORP

212 West 7th Street
Auburn, Indiana 46706

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on January 26, 2011

NOTICE IS HEREBY GIVEN the Annual Meeting of the Stockholders of Peoples Bancorp (the "Company"), will be held at LaQuinta Inn, located at 306 Touring Drive, Auburn, Indiana on Wednesday, January 26, 2011 at 2:00 P.M., local time (the "Meeting"), for the following purposes:

1. To elect two directors.
2. To approve the appointment of BKD, LLP, independent Certified Public Accountants, as the Auditors of the Company for the Fiscal Year ending September 30, 2011.
3. To transact such other business as may properly come before the Meeting or any adjournment thereof.

As of the date of mailing, the Board of Directors is not aware of any other matters that may come before the Meeting.

The Board of Directors has selected December 10, 2010 as the record date for the Meeting. Only those Stockholders of the Company of record at the close of business on that date will be entitled to notice of and to vote at the Meeting or any adjournment or postponement thereof.

Cheryl L. Taylor
Corporate Secretary

Auburn, Indiana
December 23, 2010

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Peoples Bancorp (the "Company"), for use at the Annual Meeting of the Stockholders of the Company to be held on Wednesday, January 26, 2011, and at any adjournments or postponements thereof (the "Meeting"). The Annual Report to Stockholders for the Fiscal Year ended September 30, 2010, and a form of proxy to be voted at the Meeting are being furnished to Stockholders with this Proxy Statement. The approximate date of mailing of this Proxy Statement is December 23, 2010.

The close of business on December 10, 2010 has been selected as the record date for the determination of Stockholders entitled to notice of and to vote at the Annual Meeting. On that date, 2,482,580 shares of the Company's Common Stock, par value \$1.00 per share, were outstanding. Stockholders will be entitled to one vote for each share of the Company's Common Stock held by them of record at the close of business on the record date on any matter that may be presented for consideration and action by the Stockholders.

The presence, in person or represented by proxy, of the holders of a majority of the outstanding shares of Common Stock will constitute a quorum for the transaction of business at the Meeting. A plurality of the votes cast by Stockholders in person or by proxy at the Annual Meeting will be necessary to elect each Director pursuant to Proposal 1 described herein. The affirmative vote of

majority of the shares held by Stockholders present in person or by proxy at the Annual Meeting will be necessary for approval of Proposal 2.

All valid proxies received in response to this solicitation will be voted in accordance with the instructions indicated thereon by the Stockholders giving such proxies. If no instructions are given, signed proxies will be voted in favor of the election of the Directors named in this Proxy Statement and in favor of Proposal 2. Abstentions and broker non-votes (shares as to which a broker indicates that it does not have authority to vote) are counted for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will have the same effect as a vote "against" Proposal 2.

The Board of Directors does not know of any business, other than that described herein, to be presented for action at the Annual Meeting. However, if any other business is properly presented before the Annual Meeting and may properly be voted upon, the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the proxy holders named therein. Any Stockholder has the power to revoke his proxy at any time before it is voted at the Annual Meeting by giving written notice of such revocation.

You may vote your shares in person by attending the Annual Meeting, or by mailing us your completed proxy if you are unable or do not wish to attend. If a proxy card is submitted without instructions, the proxies will be voted "FOR" the proposal to approve the director nominees and for the appointment of BKD, LLC, as the Company's independent Certified Public Accounts.

You can revoke your proxy at any time before the vote is taken at the Meeting by:

- delivering to Cheryl L. Taylor, our Secretary, at our corporate office at 212 West 7th Street, P. O. Box 231, Auburn, Indiana 46706, on or before the date of the Annual Meeting, a later-dated and signed proxy card or a written revocation of the proxy;
- delivering to us at the annual meeting prior to the taking of the vote a later-dated and signed proxy card or a written revocation;
- attending the Annual Meeting and voting in person; or
- if you have instructed a broker to vote your shares, following the directions received from your broker to change those instructions.

Revoking a proxy will not affect a vote once it has been taken. Attendance at the Annual Meeting will not, in itself, constitute a revocation of a proxy. You must vote in person at the Annual Meeting if you wish to change a vote that you have previously made by submitting a signed proxy.

We are mailing this proxy material to our Stockholders on or about December 23, 2010.

The enclosed proxy is solicited on behalf of our Board of Directors. The cost of soliciting proxies in the accompanying form will be borne by us. In addition to the use of mail, our officers and directors may solicit proxies by telephone or other electronic means. These individuals will receive no additional compensation for these services, but will be reimbursed for any transaction expenses incurred by them in connection with these services. Upon request, we will reimburse brokers, dealers, banks and trustees or their nominees for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of shares of existing common stock.

PROPOSAL 1 - ELECTION OF DIRECTORS OF PEOPLES BANCORP

The Stockholders of Peoples Bancorp are also being asked to vote on the election of two directors to serve until 2014. The director nominees are G. Richard Gatton and Douglas D. Marsh, each of whom currently serves on the Board of Directors of the Company and the Bank.

THE BOARD OF DIRECTORS OF PEOPLES BANCORP UNANIMOUSLY RECOMMENDS YOU VOTE "FOR" THE DIRECTOR NOMINEES, NAMELY, G. RICHARD GATTON AND DOUGLAS D. MARSH.

Directors

Our Board of Directors currently consists of six members, each of whom is also a director of Peoples Federal Savings Bank of DeKalb County. Directors are generally elected to serve for three-year staggered terms or until their respective successors have been elected and qualified. Approximately one-third directors are elected annually.

The following table sets forth certain information regarding the Board of Directors, including each director's term of office and the Board nominees for election. The nominees have consented to being named in the proxy statement and have agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority.

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Stock Owned</u>	<u>Percentage of Stock Owned</u>	<u>Bank Director Since</u>	<u>Bancorp Director Since</u>	<u>Present Term Expires</u>
Nominees							
G. Richard Gatton	Chairman of the Board	67	27,077	1.1%	2007	2000	2014
Douglas D. Marsh	Director	69	11,500	*	1982	1990	2014
Directors Continuing							
Erica D. Dekko	Director	41	15,100	*	2000	2001	2012
Maurice F. Winkler, III	Director and President of Peoples Bancorp and Peoples Federal	54	46,123	1.9%	1993	1993	2012
Bruce S. Holwerda	Director	62	3,123	*	1998	1998	2013
Stephen R. Olson	Director	67	14,551	*	2007	2000	2013

* Under 1%

The business experience of each director is set forth below. All directors have held their present positions for at least the past five years, except as otherwise indicated.

G. Richard Gatton. Mr. Gatton has been involved in the banking industry since 1966. He served as President and Chief Executive Officer (CEO) of Three Rivers Financial Corp. (TRFC) and in December 1990 became a director of First Savings Bank, a subsidiary of TRFC. First Savings became a subsidiary of the Company in 2000 at which time Mr. Gatton became a director of the Company and retained his position as President and CEO. On March 1, 2006, he retired as President, CEO, and director of First Savings. He was elected Chairman of the Board of the Company, and Chairman of the Board and director of Peoples Federal on February 1, 2007. On October 1, 2007, First Savings merged into Peoples Federal. He is the father of Jeffrey H. Gatton, COO of Peoples Federal.

Erica D. Dekko. Ms. Dekko is a financial planner for LPL Financial in Kendallville, Indiana. She completed her Executive MBA from the Univ. of Notre Dame in 2000 and her B. S. in Industrial Engineering & Mgmt. from Oklahoma State Univ. in 1992.

Bruce S. Holwerda. Mr. Holwerda was co-owner of Ambassador Steel Corp., Auburn, Indiana and served as VP and COO from 1990 to 2003. In 2003 he sold his co-ownership and served as a consultant until April 2008. Presently he has other real estate and business investments and is serving as a business and growth consultant to various business entities throughout the Midwest.

Douglas D. Marsh. Mr. Marsh served as Principal Broker of Castle One Realty in Auburn, Indiana until his retirement in December 2009, and currently serves as Chairman of the Board of Applied Innovations Inc. in Auburn, Indiana.

Stephen R. Olson. Mr. Olson started with Morton Buildings in 1970 and served as manager until 2003. He currently works as part of Sales Administration and Manager Development for Morton Buildings. Mr. Olson was appointed to the Board of Directors of First Savings Bank in 1984 and served as Chairman since 1993. Mr. Olson became a director of the Company upon the merger of Three Rivers Financial Corporation into the Company on February 1, 2000 and a director of Peoples Federal on October 1, 2007.

Maurice F. Winkler, III. Mr. Winkler joined Peoples Federal in 1979. Mr. Winkler assumed the duties of President and Chief Executive Officer of the Company, Peoples Federal, and Peoples Financial effective October 1, 1996.

PROPOSAL 2 - APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTS

The Board of Directors has appointed the firm of BKD, LLP, independent Certified Public Accountants, to audit the consolidated financial statements of the Company for the Fiscal Year ending September 30, 2011. A proposal to approve the appointment of BKD will be presented to the Company's Stockholders at the Annual Meeting. Representatives of BKD are expected to be present at the Meeting and to be available to respond to appropriate questions.

THE BOARD OF DIRECTORS OF PEOPLES BANCORP UNANIMOUSLY RECOMMENDS STOCKHOLDERS VOTE "FOR" THE APPOINTMENT OF BKD.