

CELEBRATING 120 YEARS

1902 2022

Peoples BANCORP®

INVESTOR PRESENTATION

3rd QUARTER 2022

WORKING TOGETHER BUILDING SUCCESS

TABLE OF CONTENTS

PAGE 4

PROFILE, INVESTMENT RATIONALE, CULTURE AND STRATEGY

PAGE 10

CREDIT, CAPITAL & LIQUIDITY

PAGE 21

Q3 & YTD 2022 FINANCIAL INSIGHTS

PAGE 35

Q3 & YTD 2022 APPENDIX

SAFE HARBOR STATEMENT

Statements in this presentation which are not historical are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include discussions of the strategic plans and objectives or anticipated future performance and events of Peoples Bancorp Inc. ("Peoples").

The information contained in this presentation should be read in conjunction with Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the "2021 Form 10-K"), and earnings release for the third quarter ended September 30, 2022 ("the Third Quarter Earnings Release"), included in Peoples' current report on Form 8-K furnished to the Securities and Exchange Commission ("SEC") on October 25, 2022, each of which is available on the SEC's website (sec.gov) or at Peoples' website (peoplesbancorp.com).

As required by U.S. generally accepted accounting principals, Peoples is required to evaluate the impact of subsequent events through the issuance date of its September 30, 2022 consolidated financial statements as part of its Quarterly Report on Form 10-Q to be filed with the SEC ("Third Quarter form 10-Q"). Peoples expects to file its Third Quarter Form 10-Q with the SEC on or about November 3, 2022. Accordingly, subsequent events could occur that may cause Peoples to update its critical accounting estimates and to revise its Financial Information from which it is contained in this presentation.

Investors are cautioned that forward-looking statements, which are not historical fact, involve risks and uncertainties, including those detailed in the 2021 Form 10-K under the section, "Risk Factors" in Part I, Item 1A and in the Third Quarter Earnings Release. As such, actual results could differ materially from those contemplated by forward-looking statements made in this presentation. Management believes that the expectations in these forward-looking statements are based upon reasonable assumptions within the bounds of management's knowledge of Peoples' business and operations. Peoples disclaims any responsibility to update these forward-looking statements to reflect events or circumstances after the date of this presentation.

IMPORTANT INFORMATION FOR INVESTORS AND SHAREHOLDERS

This presentation does not constitute an offer to sell or the solicitation of an offer to buy securities of Peoples Bancorp Inc. ("Peoples"). Peoples will file a registration statement on Form S-4 and other documents regarding the proposed merger with Limestone Bancorp, Inc. ("Limestone") with the Securities and Exchange Commission ("SEC"). The registration statement will include a joint proxy statement/prospectus which will be sent to the shareholders of both Peoples and Limestone in advance of their respective special meetings of shareholders to be held to consider the proposed merger.

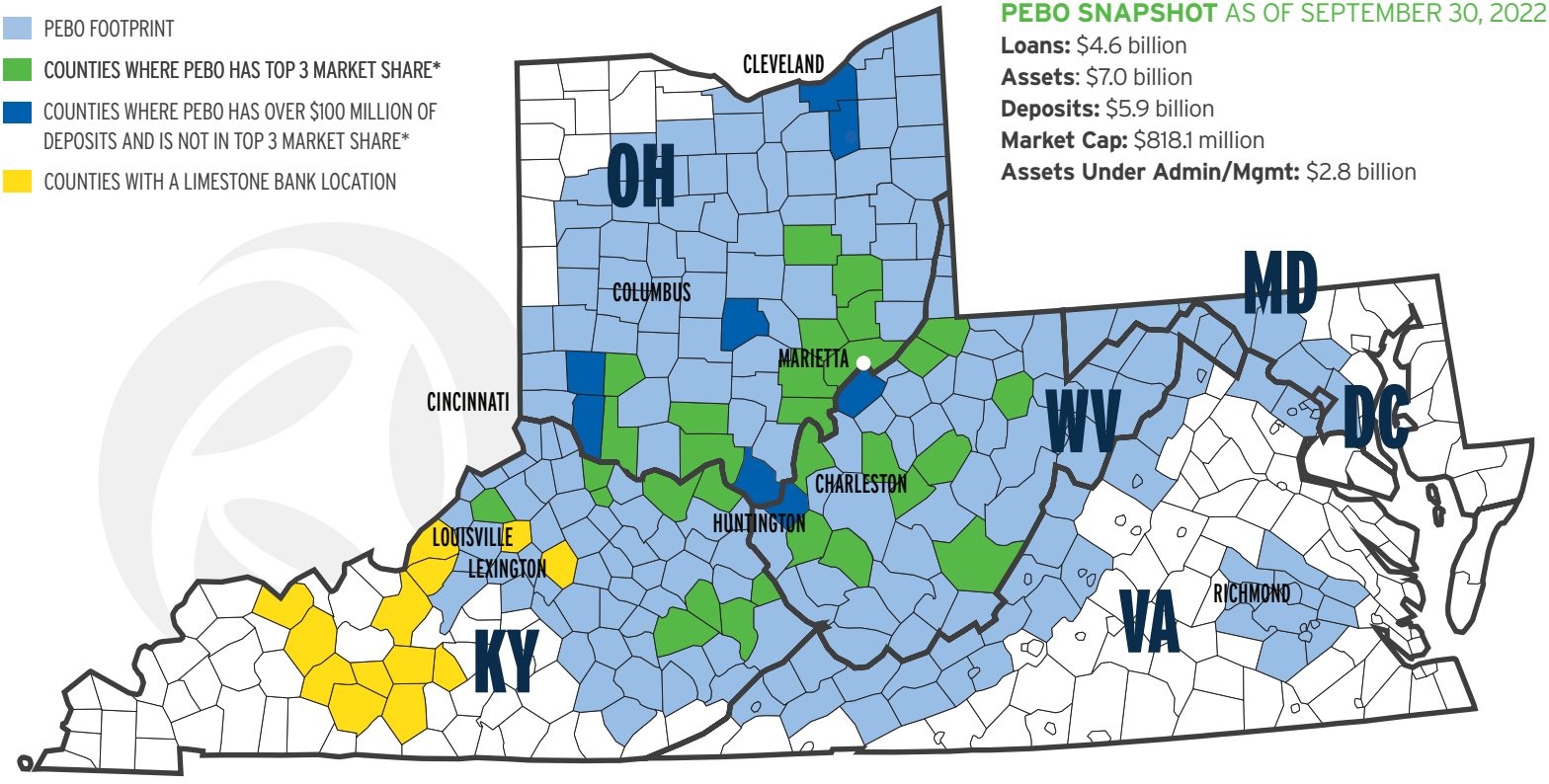
Investors and security holders are urged to read the proxy statement/prospectus and any other relevant documents to be filed with the SEC in connection with the proposed transaction because they contain important information about Peoples, Limestone and the proposed merger. Investors and security holders may obtain a free copy of these documents (when available) through the website maintained by the SEC at www.sec.gov. These documents may also be obtained, free of charge, on Peoples' website at www.peoplesbancorp.com under the tab "Investor Relations" or by contacting Peoples' Investor Relations Department at: Peoples Bancorp Inc., 138 Putnam Street, PO Box 738, Marietta, Ohio 45750, Attn: Investor Relations.

Peoples, Limestone, and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed merger. Information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed merger when it becomes available. Additional information about the directors and executive officers of Peoples is set forth in the proxy statement for Peoples' 2022 annual meeting of shareholders, as filed with the SEC on Schedule 14A on March 17, 2022.

PROFILE, INVESTMENT RATIONALE, CULTURE & STRATEGY

PEOPLES BANK GEOGRAPHIC FOOTPRINT

- PEBO FOOTPRINT
- COUNTIES WHERE PEBO HAS TOP 3 MARKET SHARE*
- COUNTIES WHERE PEBO HAS OVER $100 MILLION OF DEPOSITS AND IS NOT IN TOP 3 MARKET SHARE*
- COUNTIES WITH A LIMESTONE BANK LOCATION



PEBO SNAPSHOT AS OF SEPTEMBER 30, 2022

Loans: $4.6 billion
Assets: $7.0 billion
Deposits: $5.9 billion
Market Cap: $818.1 million
Assets Under Admin/Mgmt: $2.8 billion

* According to FDIC annual summary of deposits as of June 2022.

INVESTMENT RATIONALE

NASDAQ: PEBO

UNIQUE COMMUNITY BANKING MODEL

- Strongest deposit market share positions in more rural markets where we can affect pricing. Top 3 market share in 32 counties across three states.
- Presence near larger cities puts us in a position to capture lending opportunities in urban markets (e.g. Cincinnati, Cleveland, Columbus, Washington D.C., and Richmond)
- Greater revenue diversity than average $1 -$10 billion bank with a fee income ratio of 25%*
- Strong community reputation and active involvement
- Nationwide insurance premium financing and equipment leasing businesses

STRONG, DIVERSE SOURCES OF FEE INCOME

- 20th largest bank-owned insurance agency, with expertise in commercial, personal, life and health
- Wealth management – $2.8 billion in assets under administration and management, including brokerage, trust and retirement planning as of September 30, 2022
- Top 100 U.S. equipment leasing company

CAPACITY TO GROW OUR FRANCHISE

- Strong capital, earnings growth and operating performance to support M&A strategy
- Proven integration capabilities and scalable infrastructure

COMMITTED TO DISCIPLINED EXECUTION AND GENERATING POSITIVE OPERATING LEVERAGE

- Strong, integrated enterprise risk management process
- Focused on business line performance and contribution, operating efficiency and credit quality
- Disciplined credit practice as indicated by portfolio construction and portfolio data

ATTRACTIVE DIVIDEND OPPORTUNITY

- Targeting 40% to 50% payout ratio under normal operating environment
- Dividend paid increased from $0.15 per share for Q1 2016 to $0.38 in the most recent quarter
- Consistently evaluate dividend and adjust accordingly – annualized dividend yield at October 20, 2022 was 5.14%

*Non-interest income, excluding gains and loses, as a percent of total revenue as of 9/30/22

OUR VISION

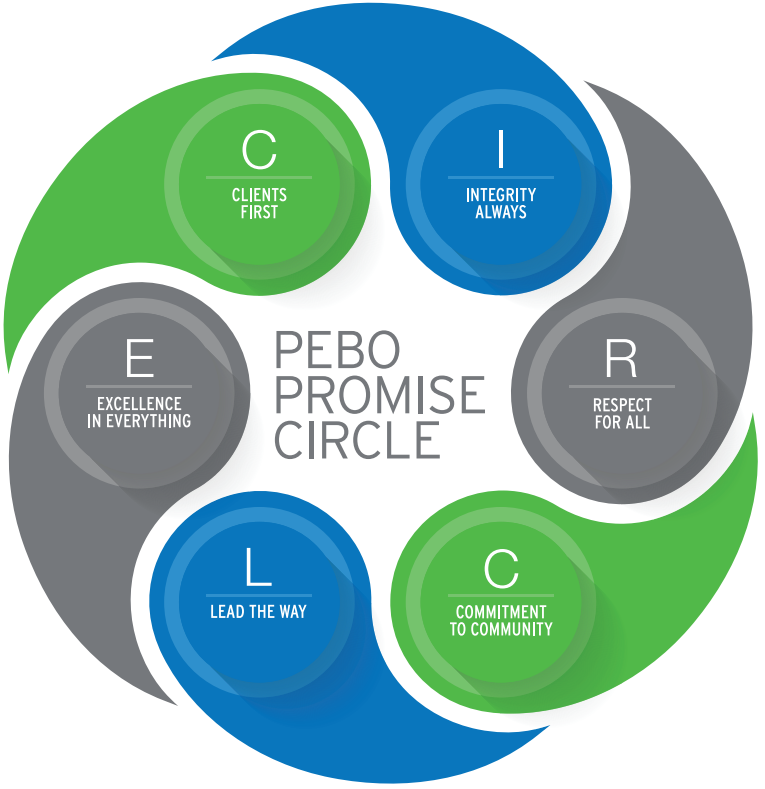
Our vision is to be the
BEST COMMUNITY BANK IN AMERICA

OUR CORE VALUES

Our actions are guided by our core values represented by the Promise Circle, which embodies how we do business and our never ending pursuit of creative value for our associates, our communities, our clients, and our shareholders. Being true to these core values in the decisions we make and in our business practices is essential to driving sustainable long-term growth.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") MATTERS

As we celebrate our 120th anniversary, we are committed to conducting business in a way that ensures that Peoples will be around for many more years. In 2021, we continued to build upon and improve our ESG oversight framework and to further evolve our sustainability strategy. Our ESG areas of focus are organized around our associates, our communities, our clients and our shareholders. More about our ESG practices can be found on our website at **peoplesbancorp.com/about-us/about-peoples.**



STRATEGIC ROAD MAP

NASDAQ: PEBO

Peoples BANK®

- **Commitment to Superior Shareholder Returns**
- **Clients' First Choice for Financial Services**
- **Great Place to Work**
- **Meaningful Impact on Our Communities**

BEST COMMUNITY BANK IN AMERICA

RESPONSIBLE RISK MANAGEMENT



- Everyone is a Risk Manager
- Know the Risks: Strategic, Reputation, Credit, Market, Liquidity, Operational, Compliance
- Disciplined Credit Culture
- Do Things Right the First Time
- Raise Your Hand
- Discover the Root Cause
- Manage Change Effectively
- Keep Information Secure

EXTRAORDINARY CLIENT EXPERIENCE



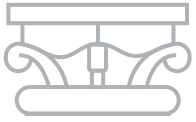
- Treat The Client Like Family
- Delight The Client
- Ensure A Consistent Client Experience Across All Channels
- Learn Client's Goals and Fears
- Deliver Expert Advice and Solutions
- Evolve the Digital Experience
- DWYSYWD (Do What You Say You Will Do)

PROFITABLE REVENUE GROWTH



- Acquire, Grow and Retain Clients
- Earn Client Referrals
- Go Wide
- Price for the Value We Provide
- Operate Efficiently
- Have Appetite For Winning
- Execute Thoughtful Mergers and Acquisitions

FIRST CLASS WORKPLACE



- Hire for Values
- Competition Is Across the Street
- Promote a Culture of Learning
- Coach In Every Direction
- Put Right People In Right Job
- Be Accountable, No Excuses
- Recognize and Reward Performance
- Balance Work And Life
- Cultivate Diversity
- Spread Goodness / No Jerks

EXTERNAL RECOGNITION

NASDAQ: PEBO

TOP WORK PLACES 2022 USA

FINANCIAL SERVICES INDUSTRY TOP WORK PLACES 2022

Peoples Bank is **one of only 30 companies** that have between 1,000 and 2,499 employees to be recognized in our industry.

AMERICAN BANKER 2021 Best Banks to Work For

AMERICAN BANKER 2022 Best Banks to Work For

Peoples Bank has received the American Banker Award **2 consecutive years** in a row.

NORTH STAR LEASING
A DIVISION OF PEOPLES BANK



North Star Leasing makes the ***TOP 101+ Companies in Equipment Finance*** and earns a 114 ranking on the **2022 Monitor 101+** list. *(#1 in micro-ticket.)*

When combining North Star Leasing with Vantage Financial, Peoples Equipment Leasing Companies would be in the Monitor Top 100.

SBA U.S. Small Business Administration

IN TERMS OF SBA 7(a) APPROVED DOLLARS **PEOPLES BANK RANKED**

TOP 5 in OH | **TOP 10** in WV

TOP 15% NATIONALLY

FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021

2022 COMMUNITY AWARDS

Best Between The Lakes

JOHNSON COUNTY, KY

Best of the BEST

FLOYD COUNTY, KY

BEST IN THE VALLEYS

PIKE COUNTY, KY

The Herald-Dispatch BEST IN THE TRI-STATE 2022

BOYD COUNTY, KY & LAWRENCE COUNTY, OH

2022 Best of the Tri-State

IRONTON, OH

The Marietta Times Readers' Choice 2022

CREDIT, CAPITAL & LIQUIDITY

CREDIT RISK MANAGEMENT PROCESS

LOANS & LEASES* PORTFOLIO COMPOSITION

- Robust concentration management process focused on portfolio risk diversification
- Relationship based lending
- Commercial Real Estate (CRE) and Commercial & Industrial (C&I) are balanced with Consumer
- CRE financing generally for "A" tier developers only
- CRE is 221% of risk based capital at 9/30/2022
- Very limited out of market lending
- Growing consumer portfolios organically and through acquisitions
- $7.0 billion bank with $30 million guideline for maximum loan exposure per relationship

POLICY / UNDERWRITING STANDARDS

- Experienced, independent commercial and consumer underwriters
  - Comprehensive commercial underwriting package includes standardized loan covenant language, sensitivity analysis, and industry research
- Risk appropriate CRE policy standards that vary by asset class
- Established limits on policy exceptions; volume and trends monitored monthly
- Use of government guarantee programs when appropriate
- Abbreviated approval process for loan exposures < $1.0 million
- Use of automated underwriting systems to evaluate all residential loan requests (e.g. Fannie Mae Desktop Underwriter)

*Also referred to throughout this document as "total loans" and "loans held for investment"

MANAGEMENT & MONITORING

- Clear segregation of duties between sales & credit functions
  - Signature approval process with Credit Administration representation
  - Centralized risk rating, borrowing base monitoring, covenant tracking and testing
  - Consistent documentation and loan funding process centrally managed by Credit Administration with second review
- Experienced workout team dedicated to proactive rehabilitation or exit
- Construction loan monitoring and funding process independently managed by Credit Administration staff

OVERSIGHT

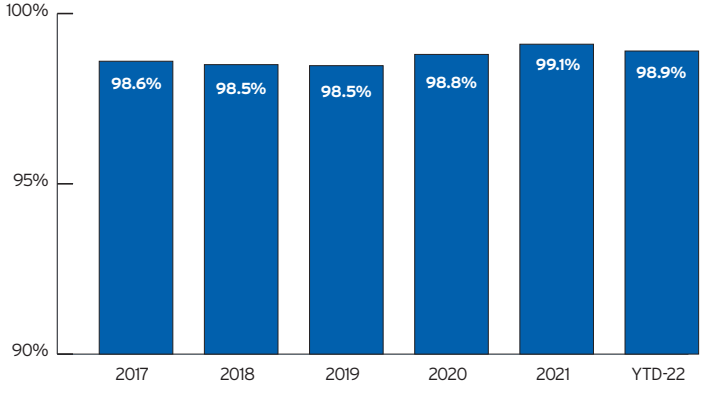
- Board approval required for loan relationships > $30 million
- External loan review by large accounting and advisory firm
- Quarterly Criticized Asset Review (CAR) meetings for loans > $0.5 million
- Quarterly review of Systemically Important Relationships (SIRs)
- Monthly Loan Quality Committee meetings

ASSET QUALITY

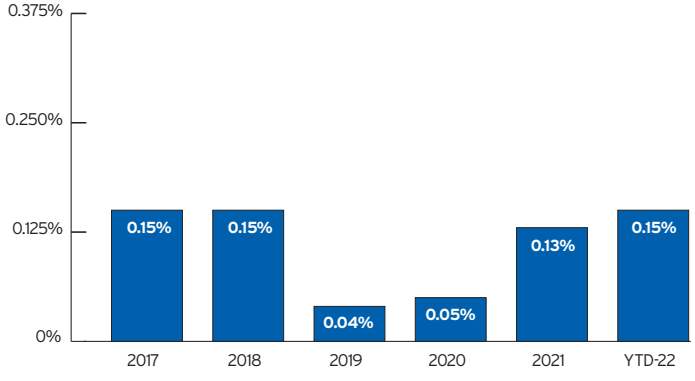
NASDAQ: PEBO

OUR DELINQUENCY AND NET CHARGE-OFF TRENDS HAVE REMAINED STABLE FOR FIVE YEARS

Percentage of Loans Considered "Current"

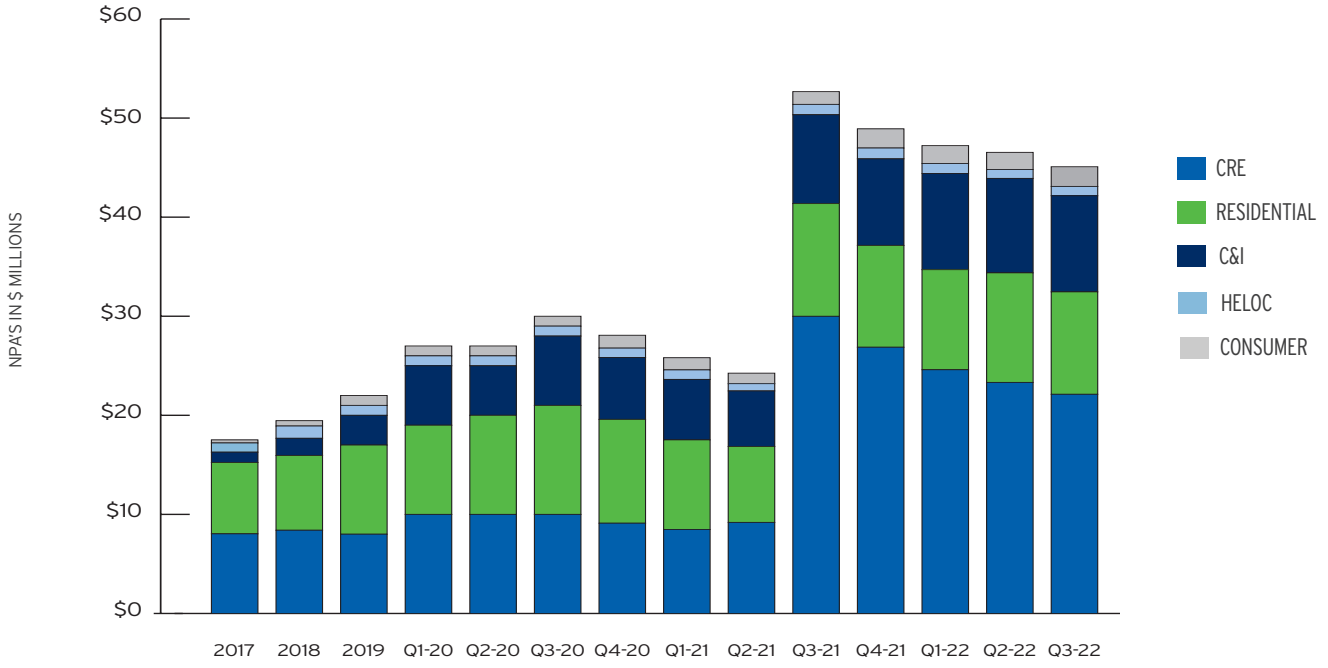


Percentage of Net Charge-Offs to Average Loans Annualized



The low charge-off rate in 2019 and 2020 was due to large recoveries. Increase in 2021 charge-offs was driven by a $0.5 million charge-off of one commercial and industrial loan relationship and leasing charge-offs (higher charge-off business than our core franchise)

NPAS HAVE CONTINUED TO DECREASE SINCE THE INCREASE IN Q3 2021, WHICH WAS MAINLY DUE TO ACQUIRED LOANS*



*The accounting for purchased credit deteriorated loans under ASU 2016-13 resulted in the movement of $3.9 million of loans from the 90+ days past due and accruing category to the nonaccrual category on January 1, 2020. As of December 31, 2019, these loans were presented as 90+ days past due and accruing, although they were not accruing interest income, because they were accreting income from the discount that was recognized due to acquisition accounting. The change in NPA's for the quarter ended September 30, 2021 was a result of $11.1M of OREO property acquired from Premier Financial Bancorp, Inc.

Source: S&P Global Market Intelligence. Nonperforming assets include loans 90+ days past due and accruing, renegotiated loans, nonaccrual loans, and other real estate owned.

ASSET QUALITY

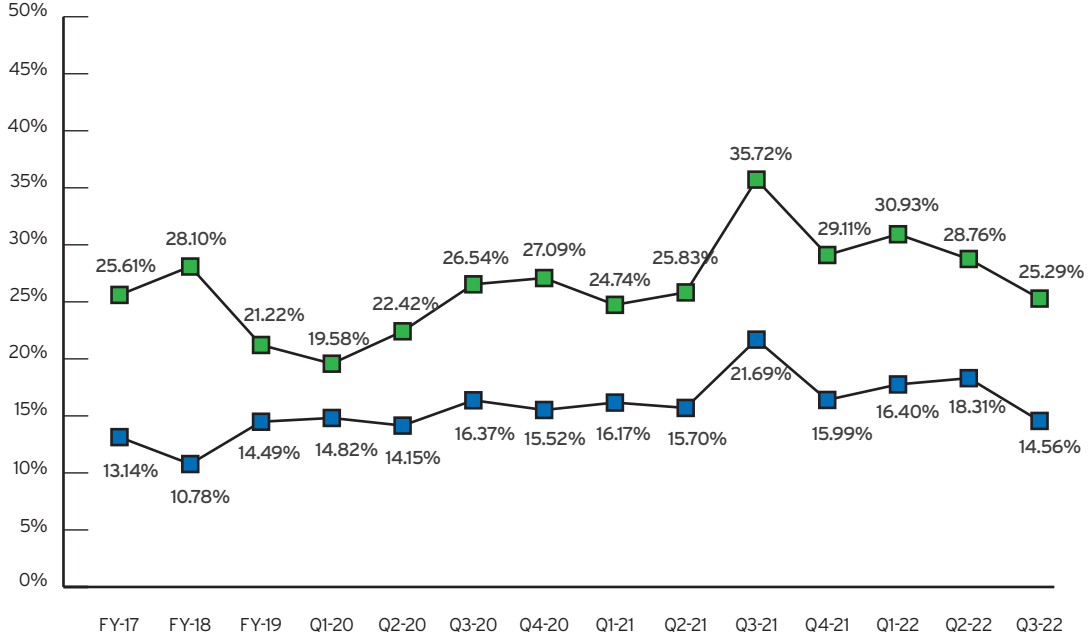
NASDAQ: PEBO

CLASSIFIED AND CRITICIZED LOANS AS A PERCENTAGE OF TIER 1 CAPITAL ARE WELL MANAGED. INCREASE IN Q3 DUE TO ACQUISITION OF PREMIER FINANCIAL BANCORP, INC.

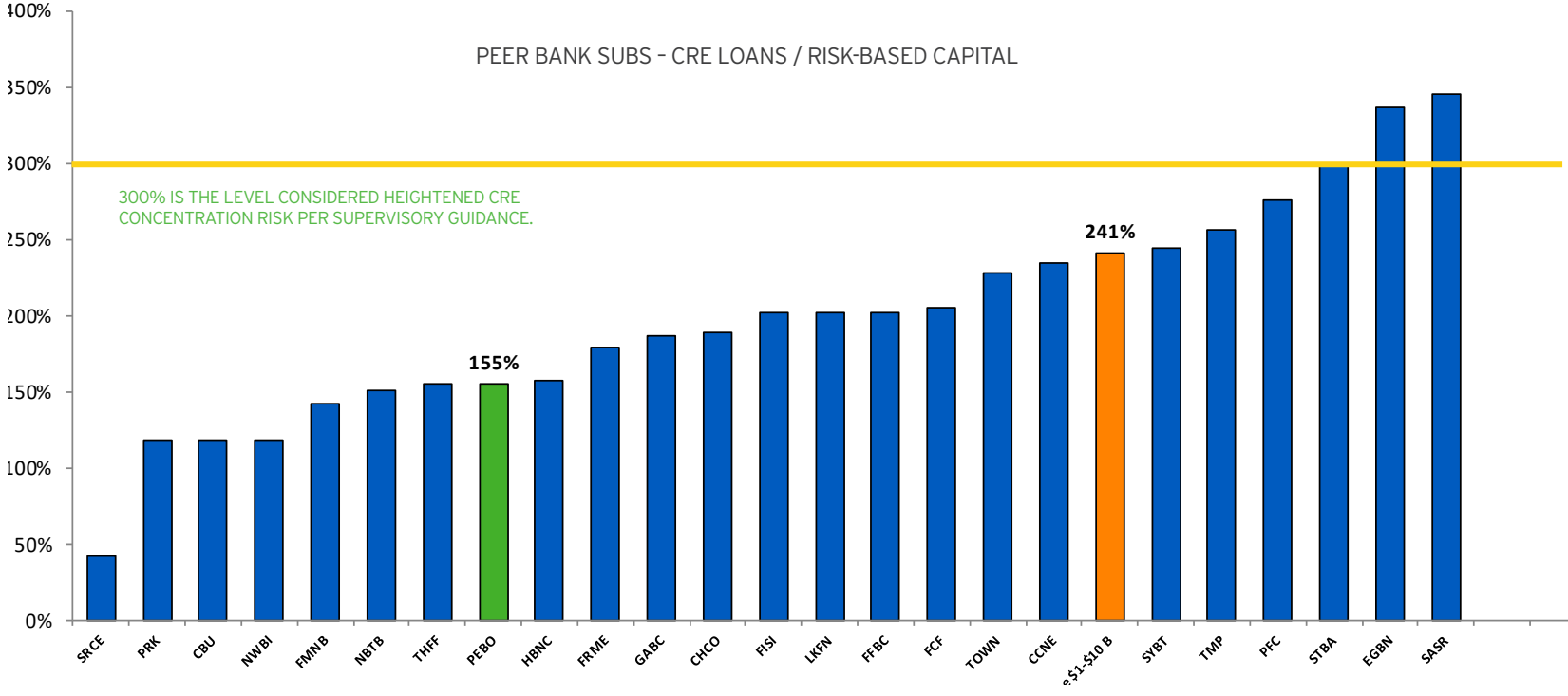
CRITICIZED LOANS / TIER 1 CAPITAL + ALLL *

CLASSIFIED LOANS / TIER 1 CAPITAL + ALLL *

*In accordance with SEC reporting methodologies. Criticized loans includes loans categorized as special mention, substandard or doubtful. Classified loans includes loans categorized as substandard or doubtful.



CRE EXPOSURE IS WELL BELOW SUPERVISORY CRITERIA ESTABLISHED TO IDENTIFY INSTITUTIONS WITH HEIGHTENED CRE CONCENTRATION RISK



Source: S&P Global Market Intelligence, Commercial Bank Call Report Data as of 6/30/22.
Per April 2013 OCC-FRB Guidance. CLD Loans defined as total loans for construction, land and land development. CRE Loans defined as total non-owner-occupied CRE loans (including CLD).

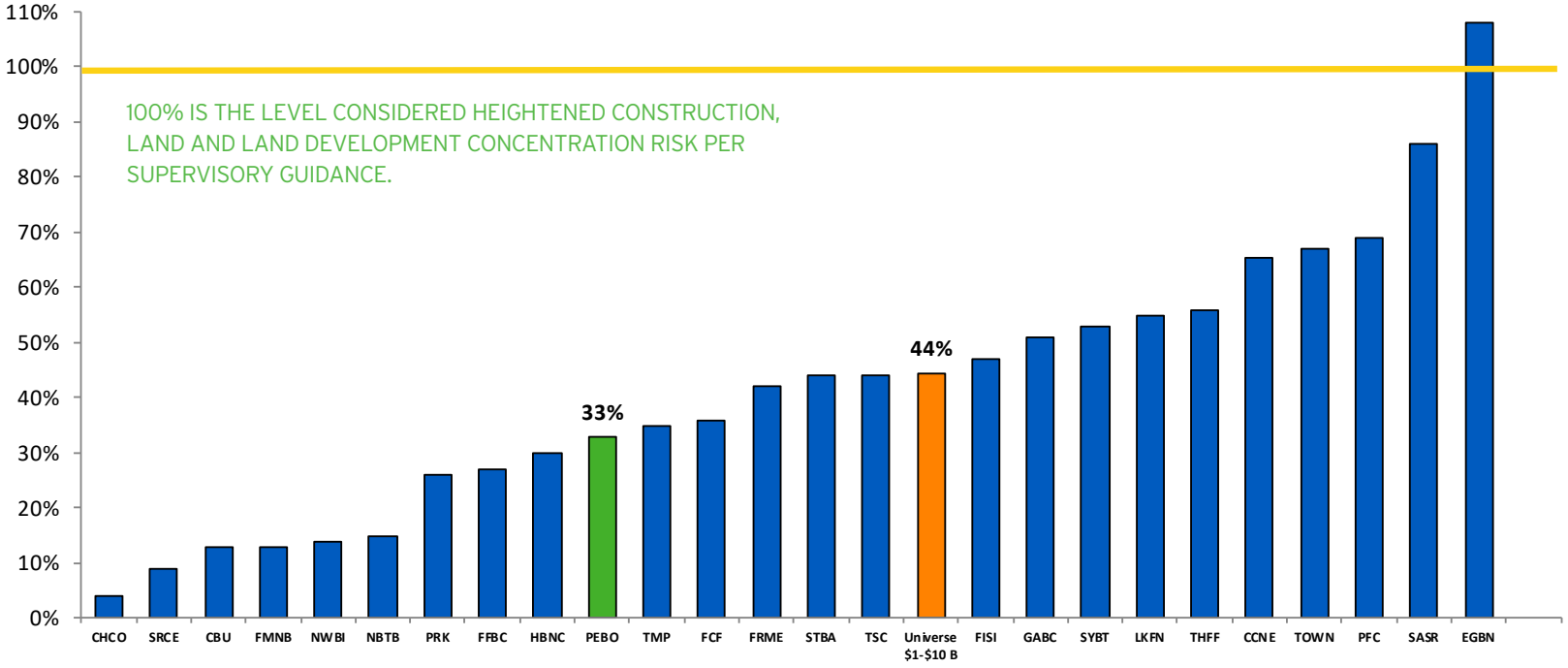
The Proxy Peer Group is used above for comparative purposes.

CRE CONCENTRATION ANALYSIS

NASDAQ: PEBO

PEBO IS MEANINGFULLY BELOW THE AVERAGE FOR $1-10 BILLION BANKS

PEER BANK SUBS - CONSTRUCTION, LAND AND LAND DEVELOPMENT LOANS / RISK-BASED CAPITAL

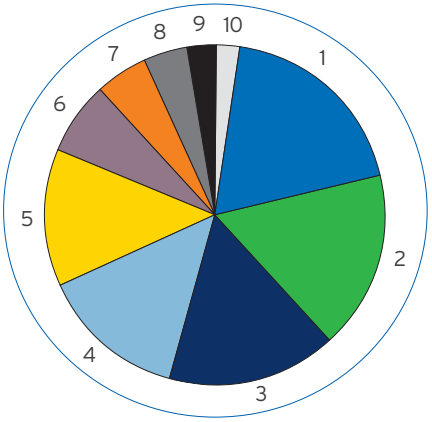


Source: S&P Global Market Intelligence, Commercial Bank Call Report Data as of 6/30/22. Per April 2013 OCC-FRB Guidance. CLD Loans defined as total loans for construction, land and land development. CRE Loans defined as total non-owner-occupied CRE loans (including CLD).

The Proxy Peer Group is used above for comparative purposes.

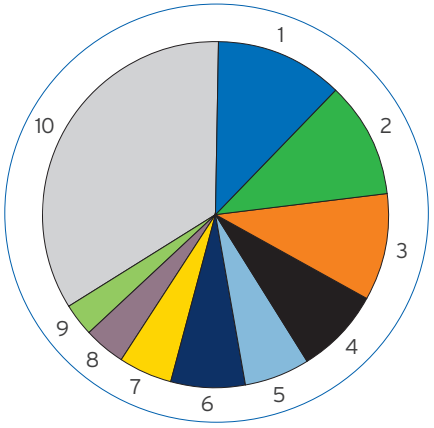
LOAN COMPOSITION REFLECTS DIVERSIFIED RISK PROFILE

TOTAL LOAN PORTFOLIO* = $4.6 BILLION



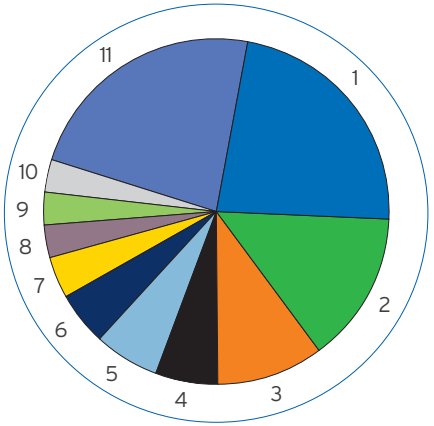
1 COMMERCIAL & INDUSTRIAL 19%
2 OWNER OCCUPIED (CRE) 17%
3 RESIDENTIAL REAL ESTATE 16%
4 NON-OWNER OCCUPIED (CRE) 14%
5 CONSUMER, INDIRECT 13%
6 LEASES 7%
7 CONSTRUCTION 5%
8 HOME EQUITY LINES OF CREDIT 4%
9 PREMIUM FINANCE LOANS 3%
10 CONSUMER, DIRECT 2%

TOTAL CRE PORTFOLIO** = $1.6 BILLION



1 RETAIL 12%
2 OFFICE BUILDINGS 11%
3 LIGHT INDUSTRIAL 10%
4 MIXED USE 8%
5 APARTMENT 6%
6 LODGING 7%
7 WAREHOUSE 5%
8 ASSISTED LIVING 4%
9 EDUCATIONAL SERVICES 3%
10 OTHER 34%***

TOTAL C&I PORTFOLIO = $0.9 BILLION
WHICH INCLUDES PPP LOANS



1 FOOD SERVICES 23%
2 RETAIL TRADE 14%
3 TRADE CONTRACTORS 10%
4 MANUFACTURING
(FOOD, BEVERAGE, TEXTILE, LEATHER) 6%
5 REAL ESTATE 6%
6 WHOLESALE TRADE 5%
7 PLASTIC & RUBBER PRODUCT MANUFACTURING 4%
8 AMBULATORY HEALTH CARE SERVICES 3%
9 EDUCATIONAL SERVICES 3%
10 MACHINERY MANUFACTURING 3%
11 OTHER 23%***

Data as of September 30, 2022.
*Excludes deposit overdrafts and PPP Loans: $4.3 million as of September 30, 2022
**Total CRE includes commercial real estate and construction loans, and exposure includes commitments.
***Top ten categories in terms of loan size are shown (remaining categories in other)

PRUDENT USE OF CAPITAL

NASDAQ: PEBO

CAPITAL PRIORITIES

- Organic growth
- Dividends
- Share repurchases
- Acquisition activities

DIVIDENDS

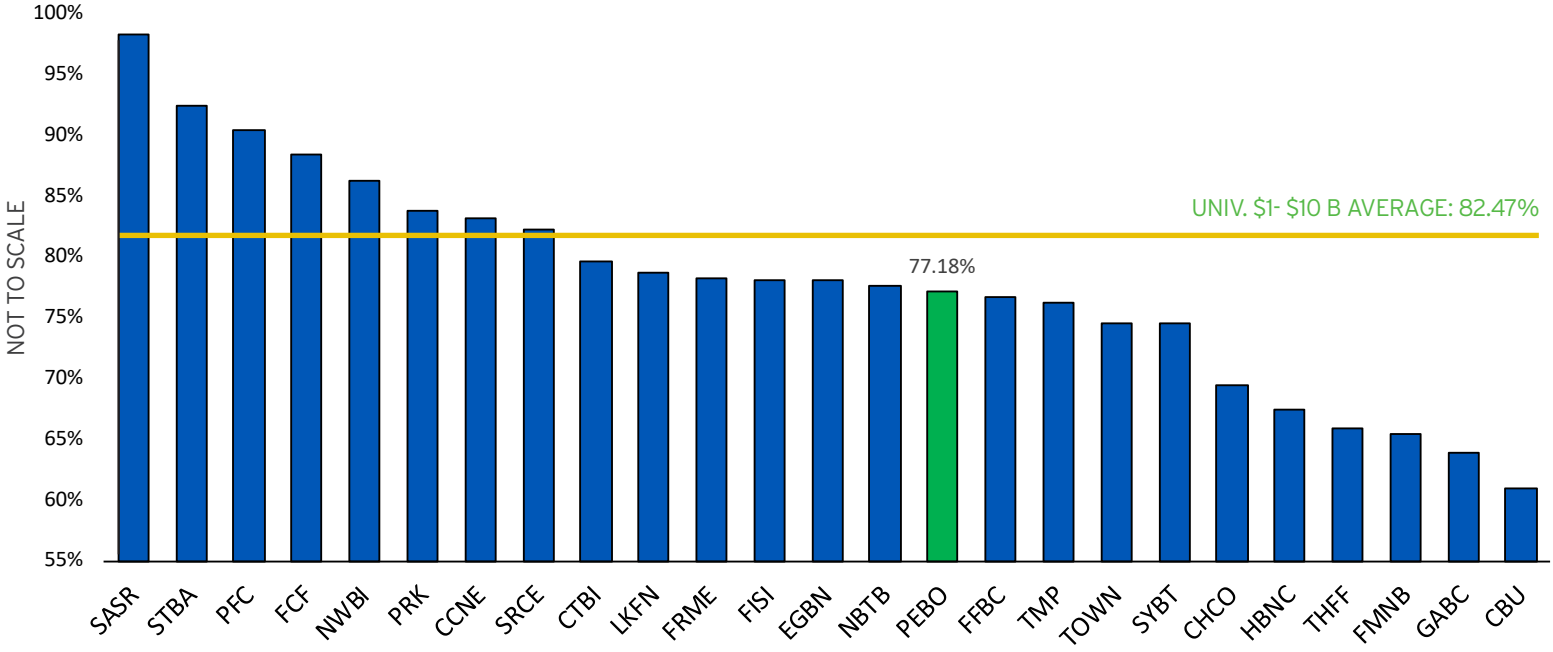
- 7 years of increasing dividends. Dividend paid increased from $0.15 per share for Q1 2016 to $0.38 in the most recent quarter
- Based on the closing stock price of Peoples' common shares of $29.60 on October 20, 2022, the quarterly dividend produces an annualized yield of 5.14%

SHARE REPURCHASES

- Prudent repurchase of shares
- Repurchased $7.2 million of shares through the first nine months of 2022, and bought shares in each quarter of 2020
- Share repurchase program has been suspended due to the pending merger with Limestone Bancorp, Inc.

LOW LOAN TO DEPOSIT RATIO PROVIDES LOW COST LIQUIDITY TO FUND FUTURE GROWTH

LOANS / DEPOSITS - PEER GROUP

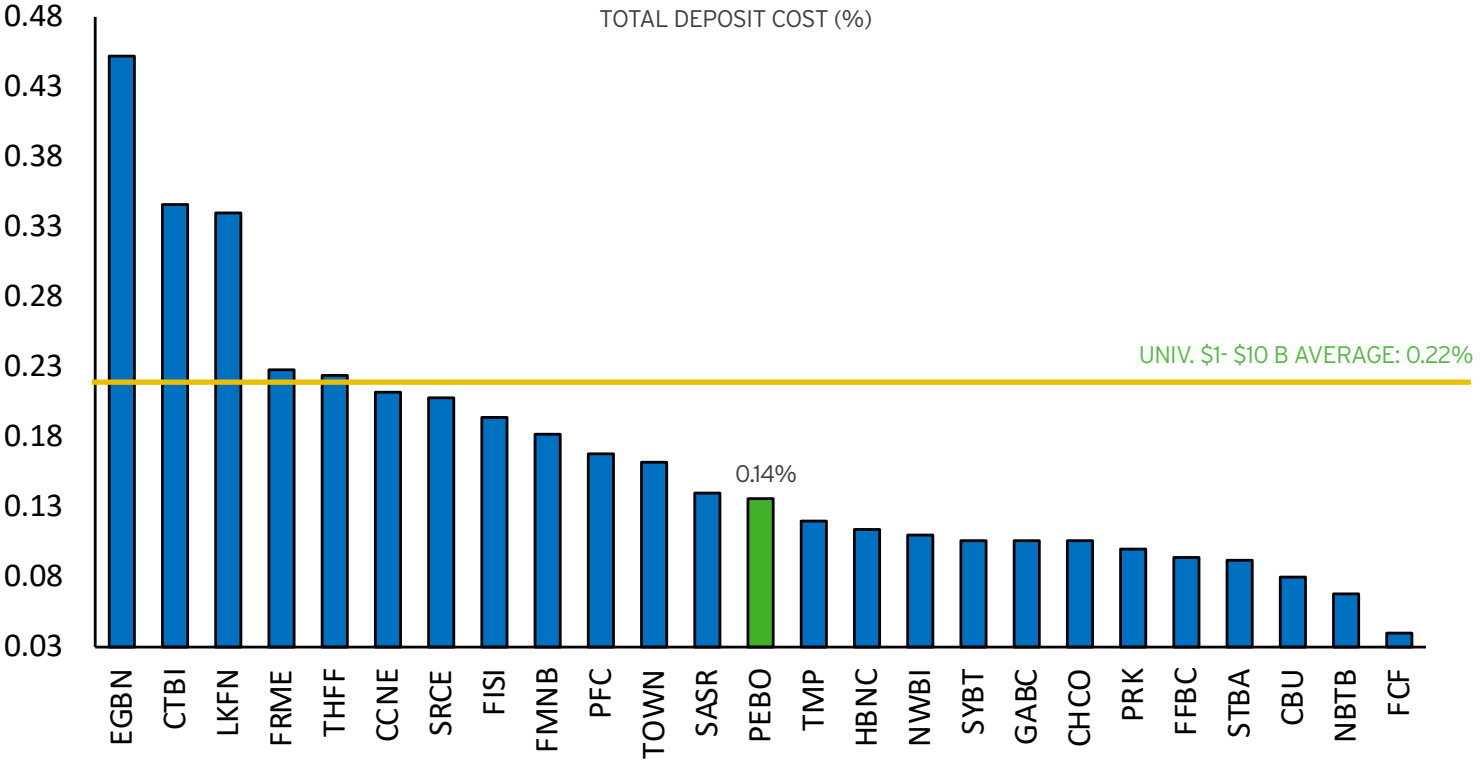


Source: S&P Global Market Intelligence, as of 6/30/2022. Peer financial institutions are used in this presentation for comparative purposes and are referred to as the "Proxy Peer Group". The parent holding companies of these financial institutions did not comprise the peer group of financial institution holding companies used by Peoples' Compensation Committee in analyzing and setting executive compensation for 2022.

COST OF DEPOSITS

NASDAQ: PEBO

PEBO IS BELOW THE $1 - $10 BILLION BANK UNIVERSE IN TERMS OF COST OF DEPOSITS AS OF JUNE 30, 2022



Source: S&P Global Market Intelligence, as of 6/30/2022. Peer financial institutions are used in this presentation for comparative purposes and are referred to as the "Proxy Peer Group". The parent holding companies of these financial institutions did not comprise the peer group of financial institution holding companies used by Peoples' Compensation Committee in analyzing and setting executive compensation for 2022.

Q3 & YTD 2022 FINANCIAL INSIGHTS

Q3 & YTD 2022
HIGHLIGHTS & KEY IMPACTS

NASDAQ: PEBO

FINANCIAL:

- Peoples reported net income of $26.0 million for the third quarter of 2022, representing earnings per diluted common share of $0.92. In comparison, Peoples recognized earnings per diluted common share of $0.88 for the second quarter of 2022, and a loss per diluted common share of $0.28 for the third quarter of 2021.
- For the nine months ended September 30, 2022, Peoples recorded net income of $74.4 million, or $2.65 per diluted common share, compared to $19.8 million, or $0.99 per diluted common share, for the nine months ended September 30, 2021.
- Net interest income increased $5.6 million, or 9%, compared to the linked quarter and increased $24.5 million, or 57%, compared to the third quarter of 2021. Net interest margin was 4.17% for third quarter of 2022.
- Total non-interest income, excluding net gains and losses, increased $0.8 million, or 4%, compared to the linked quarter, and increased $3.6 million, or 21.2%, compared to the third quarter of 2021.
- Total non-interest expense increased $2.4 million, or 5%, compared to the linked quarter and decreased $5.6 million, or 10%, compared to the third quarter of 2021.
- Period-end total loan and lease balances increased $35.3 million, or 3% annualized, compared to June 30, 2022. Excluding PPP, balances are 4% annualized.
- Asset quality metrics improved modestly during the quarter.

Peoples Bank is in the **top third** of peer group for social media followers

OUT OF PROXY PEER GROUP (25 BANKS)



Social media data as of July 1, 2022 for proxy peer group (based on Nasdaq symbol): TOWN, FFBC, CBU, FRME, NWBI, SASR, TSC,NBTB, EGBN, PRK, FCF, STBA, SRCE, TMP, PFC, HBNC, LKFN, SYBT, CHCO, GABC, FISI, CTBI, CCNE, THFF, FMNB

FINANCIAL EXPECTATIONS

	Q4 2022 / FY2022	2023 (not including Limestone Acquisition)
LOAN GROWTH	FULL YEAR OF BETWEEN 4-6%, EXCLUDING PPP LOANS	ANTICIPATE 5-7% IN LOAN GROWTH
FEE-BASED INCOME	BETWEEN 12% AND 16% COMPARED TO THE FULL YEAR 2021	EXPECT FEE BASED INCOME TO BE 5-7% HIGHER
CREDIT COSTS	ANTICIPATE GROWTH IN CREDIT COSTS FOR FUTURE QUARTERS	WILL GROW IN FUTURE QUARTERS TO HISTORIC LEVELS
NON-INTEREST EXPENSE	QUARTERLY TOTAL $51 MILLION TO $53 MILLION FOR THE REMAINDER OF 2022	PROJECT QUARTERLY NON-INTEREST EXPENSES BETWEEN $56 MILLION AND $58 MILLION
EFFICIENCY RATIO	TARGET RATIO IN THE HIGH 50'S	EXPECT TO BE BETWEEN 58% AND 59% FOR THE FULL YEAR

LIMESTONE IS EXPECTED TO ADD $0.16 PER SHARE IN 2023

ACQUISITION OF LIMESTONE BANCORP, INC

NASDAQ: PEBO

LIMESTONE BANK

Company Overview	
Company Name	Limestone Bancorp, Inc.
Headquarters	Lousiville, KY
Ticker	LMST
MRQ Balance Sheet *($000)*	
Total Assets	1,493,695
Total Loans	1,127,945
Total Deposits	1,218,580
Tangible Common Equity	120,322
Loans / Deposits (%)	93
TCE / TA (%)	8.1
MRQ Profitability ($000)	
Net Income	5,813
ROAA (%)	1.59
ROAE (%)	17.83
Net Interest Margin (%)	3.73
Efficiency Ratio (%)	57.4

FOR MORE INFORMATION

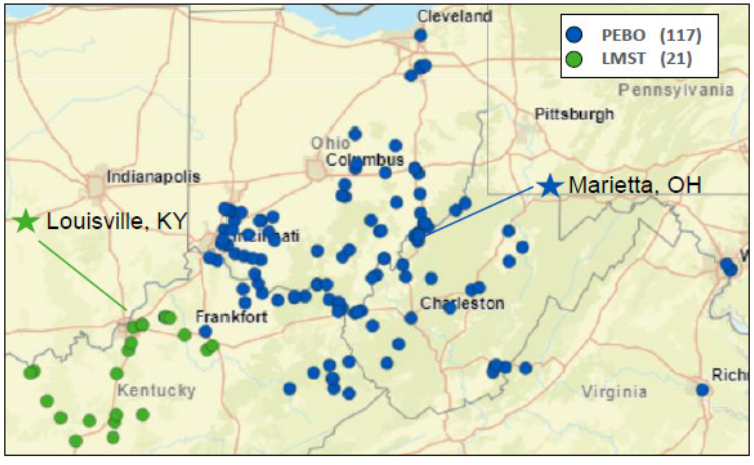
on announcement of planned acquisition, please visit **pebo.com** under Investor Relations page > SEC Filings.

ANNOUNCED OCTOBER 25, 2022

- Limestone, through its community bank subsidiary and 226 associates, operates 20 branches in 14 counties in Kentucky. As of September 30, 2022, Limestone had, on a consolidated basis, $1.5 billion in total assets, which included $1.1 billion in total net loans, and $1.2 billion in total deposits.

- Upon completion of the Merger, the combined company will have approximately $8.5 billion in total assets, $5.7 billion in total loans and $7.1 billion in total deposits with 150 locations in Ohio, West Virginia, Kentucky, Maryland, Virginia and Washington, D.C.

PRO FORMA BRANCH MAP



ACQUISITION OF VANTAGE FINANCIAL

NASDAQ: PEBO

ACQUISITION EFFECTIVE MARCH 7, 2022

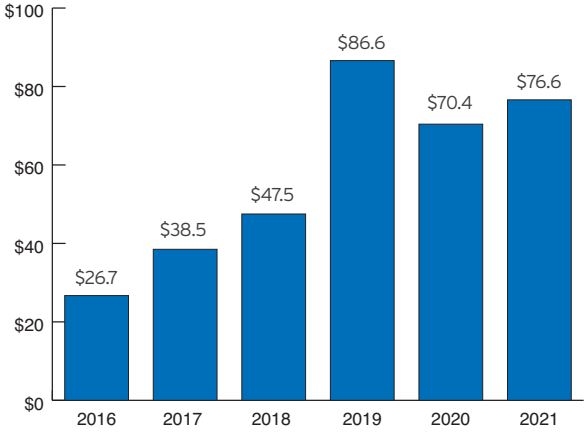
- Vantage Financial ("Vantage") was a privately held, mid-ticket, national equipment finance company based in Excelsior, Minnesota.
- The company originates leases primarily for mission critical IT equipment across a wide array of industries including education, legal, healthcare, retail, logistics, manufacturing, among others.
- The combination of North Star Leasing and Vantage creates a compelling opportunity to continue to diversify our loan portfolio. The combined assets would rank in the top 100 of largest equipment finance companies nationally.

HIGHLIGHTS

- $154.9 million total leases as of March 7, 2022
- Strong return profile; 2021 Pretax ROAA and ROAE of 3.4% and 38.5%, respectively
- 2022 EPS accretion expected to be approximately 3% / $0.08

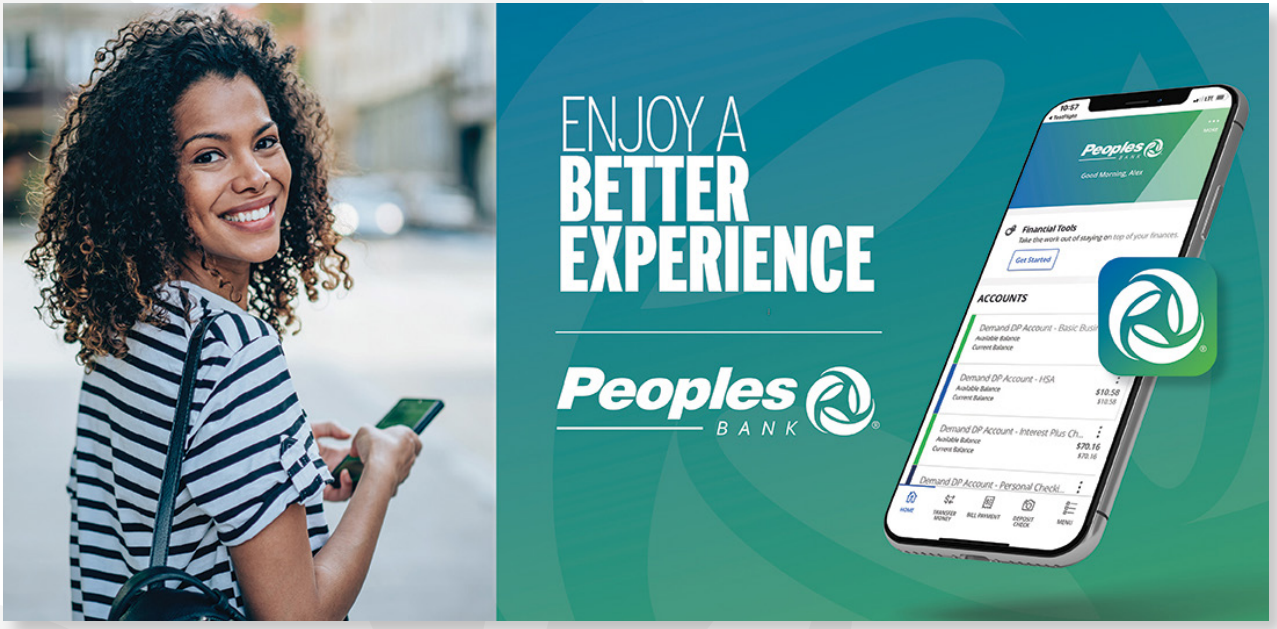
Vantage Financial℠
A PEOPLES BANK® COMPANY

ORIGINATION ($ IN MILLIONS)



Q3 2022
MOBILE & DIGITAL USER EXPERIENCE IMPROVEMENT

NASDAQ: PEBO



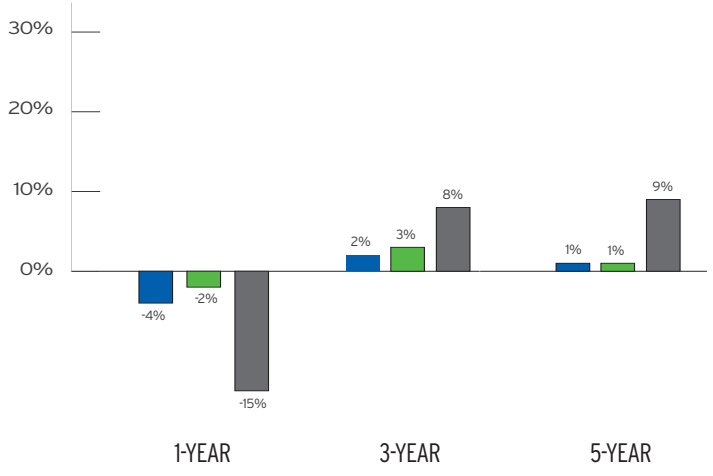
We are excited to announce a new online and mobile banking experience **launched in August 2022!**

10% **lift in mobile activated devices** compared to June 2022 *(As of September 2022)*

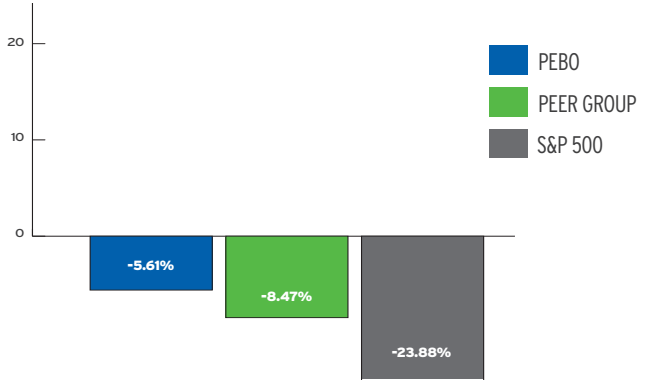
17% **lift in online banking active users** compared to June 2022 *(As of September 2022)*

BANKING SECTOR PERFORMANCE HAS LAGGED S&P 500 IN TERMS OF 3 & 5 YEAR TOTAL ANNUAL RETURN

TOTAL ANNUAL RETURN AS OF SEPTEMBER 30, 2022



CUMULATIVE TOTAL RETURN FOR THE NINE MONTHS ENDED SEPTEMBER 2022



Total Return includes impact of dividends.

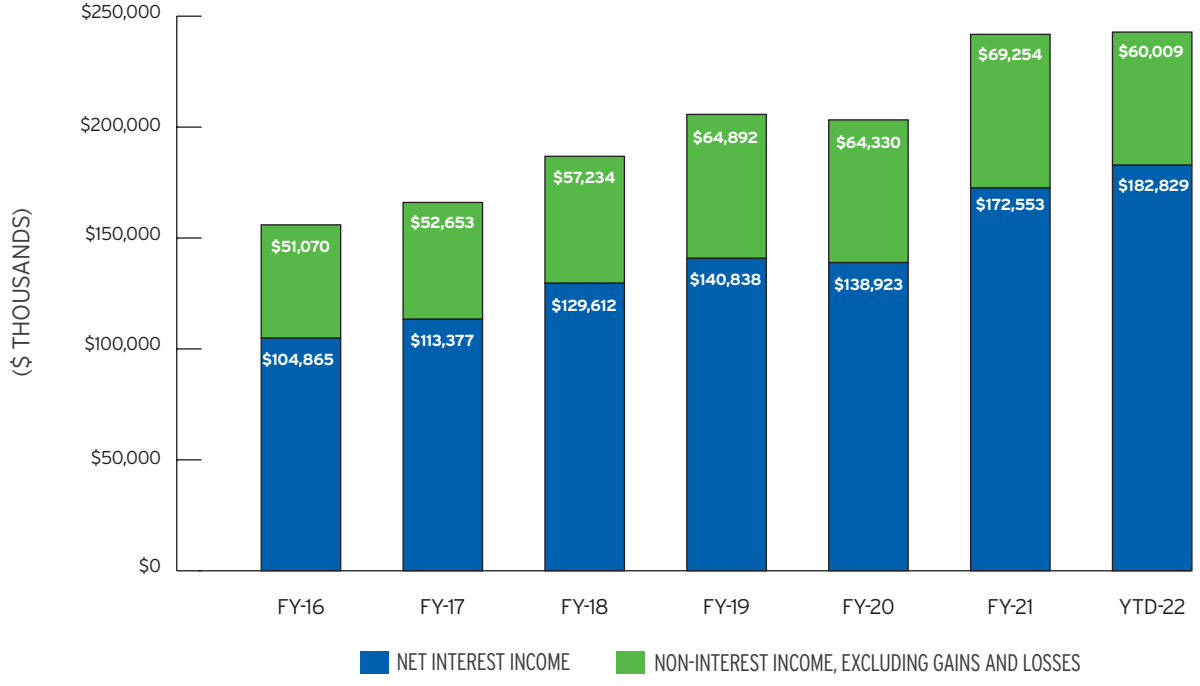
Peers include: TOWN, FFBC, CBU, FRME, NWBI, SASR, TSC,NBTB, EGBN, PRK, FCF, STBA, SRCE, TMP, PFC, HBNC, LKFN, SYBT, CHCO, GABC, FISI, CTBI, CCNE, THFF, FMNB.

Source: Bloomberg

TOTAL REVENUE

NASDAQ: PEBO

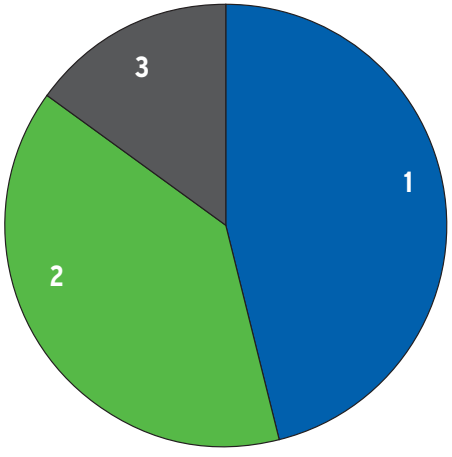
TOTAL REVENUE OF $243 MILLION FOR FIRST NINE MONTHS OF 2022



Peoples benefited from the acquisition of ASB Financial Corp. in the second quarter of 2018, the acquisition of First Prestonsburg Bancshares Inc. in the second quarter of 2019, the acquisition of Triumph Premium Finance in the third quarter of 2020, the acquisition of North Star Leasing in the second quarter of 2021, the acquisition of Premier Bancorp Financial, Inc. in the third quarter of 2021, and the acquisition of Vantage Financial in the first quarter of 2022.

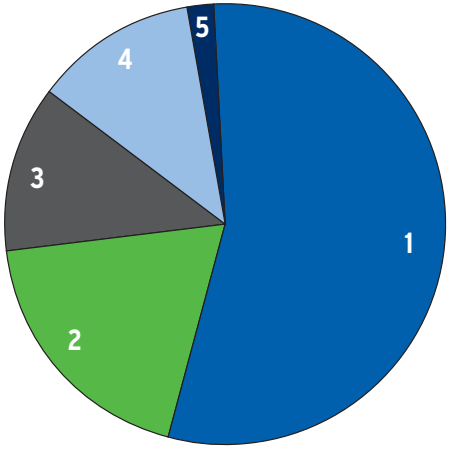
INSURANCE & INVESTMENT INCOME COMPOSITION

TOTAL INVESTMENT REVENUE YTD 2022 $12.5 MILLION



1 FIDUCIARY 46%
2 BROKERAGE 39%
3 EMPLOYEE BENEFITS 15%

TOTAL INSURANCE REVENUE YTD 2022 $12.0 MILLION



1 P&C COMMERCIAL LINES 55%
2 P&C PERSONAL LINES 19%
3 LIFE & HEALTH 12%
4 PERFORMANCE BASED 12%
5 OTHER 2%

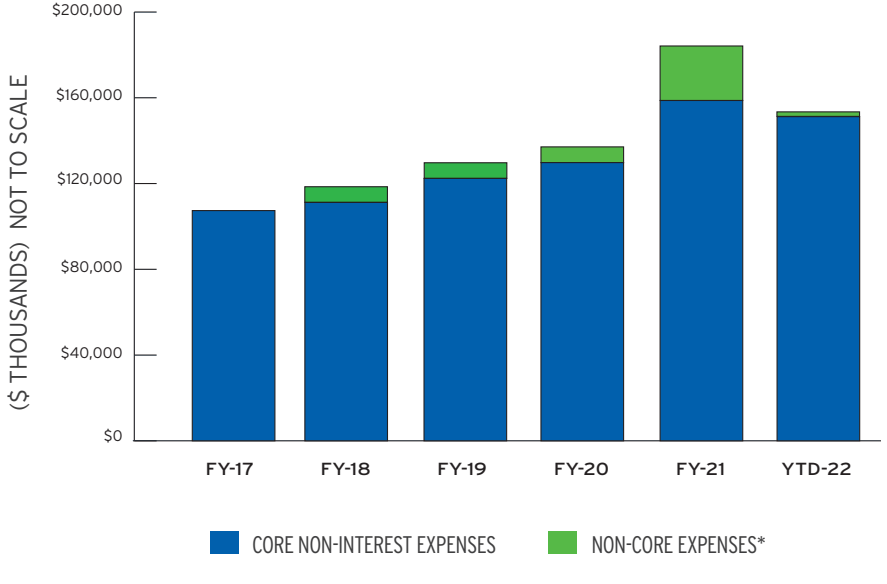
EXPENSE & EFFICIENCY RATIO

NASDAQ: PEBO

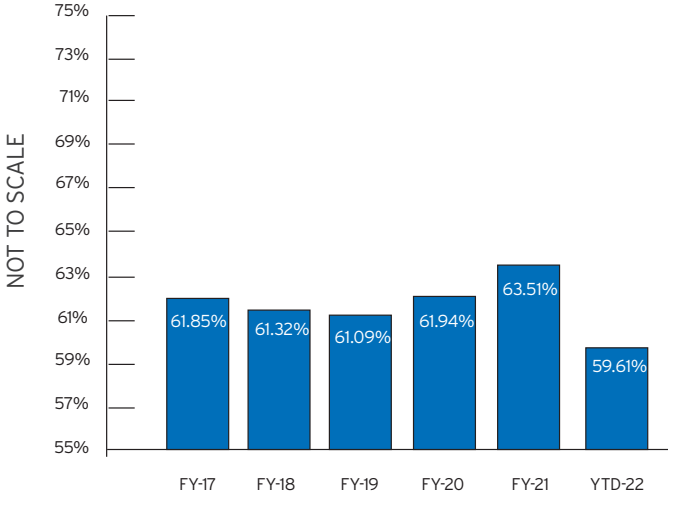
THE RECENT ESCALATION IN EXPENSES WAS DUE TO ACQUISITIONS, AND AN INCREASE IN FTE'S FOR GROWTH AND TECHNOLOGY INVESTMENTS

COVID-19 AND INCREASED NON-INTEREST EXPENSE IMPACTED THE EFFICIENCY RATIO IN 2020 & 2021

CORE NON-INTEREST EXPENSE*



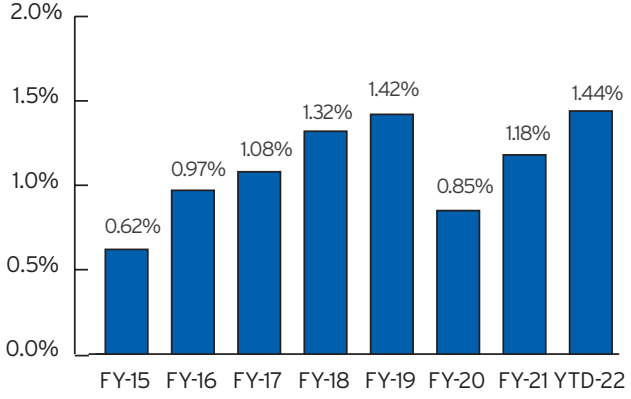
EFFICIENCY RATIO ADJUSTED FOR NON-CORE ITEMS*



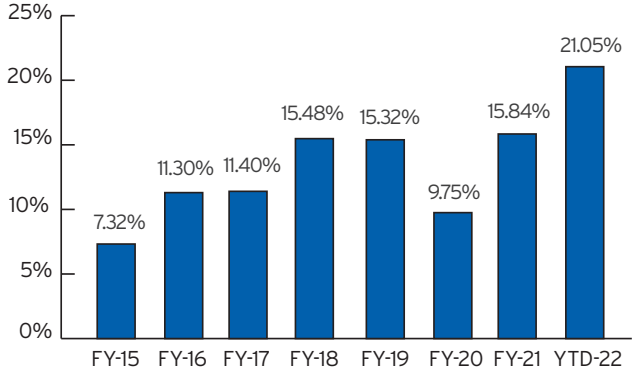
*Non-US GAAP financial measure. See Appendix.

WE HAVE MADE STEADY PROGRESS ON THESE METRICS OVER THE RECENT YEARS. THE PROVISION FOR CREDIT LOSSES, INTEREST RATE ENVIRONMENT, AND OTHER ECONOMIC IMPACTS OF COVID-19 SIGNIFICANTLY IMPACTED THESE METRICS IN 2020 AND 2021

RETURN ON AVERAGE ASSETS ADJUSTED FOR NON-CORE ITEMS[1]



RETURN ON AVERAGE TANGIBLE STOCKHOLDERS' EQUITY ADJUSTED FOR NON-CORE ITEMS[1]

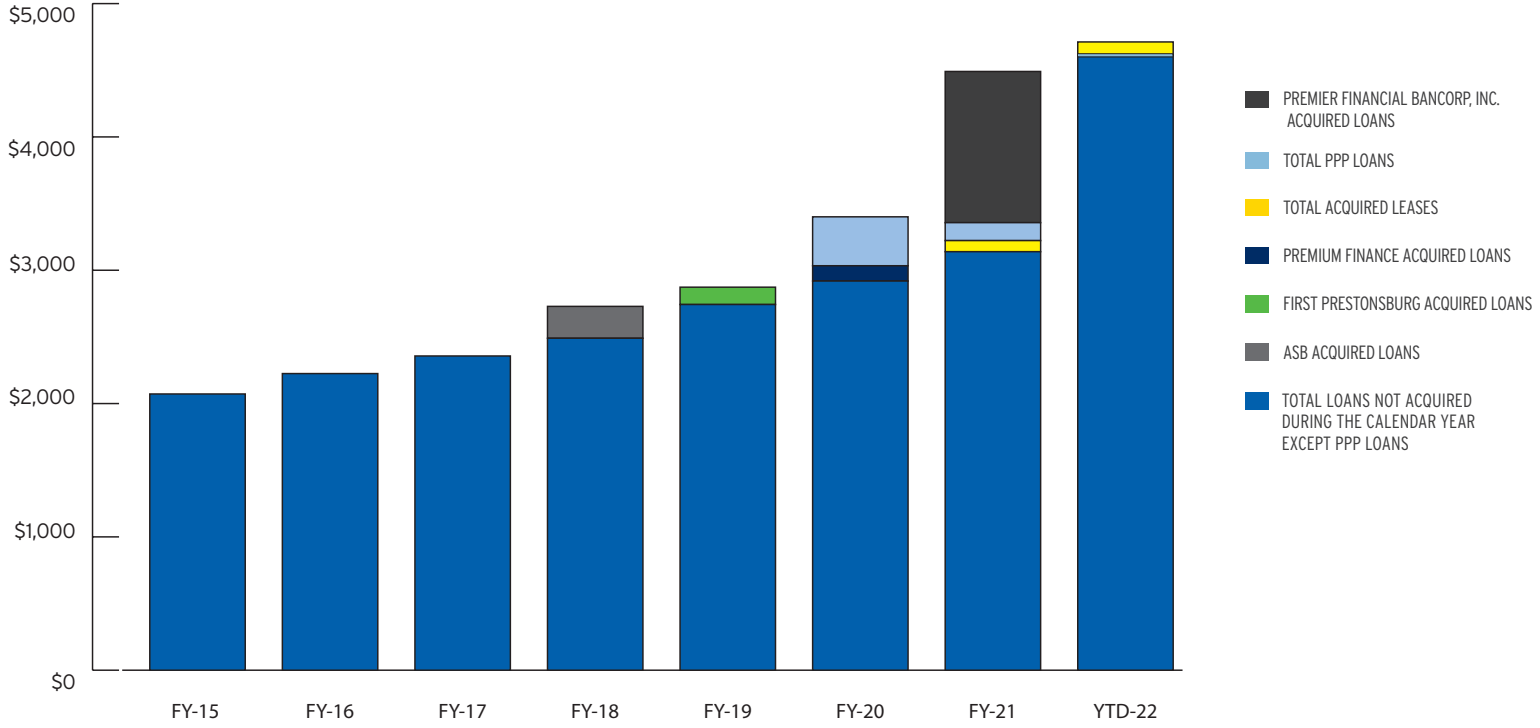


[1] Non-US GAAP financial measure. See Appendix.

TOTAL LOAN GROWTH

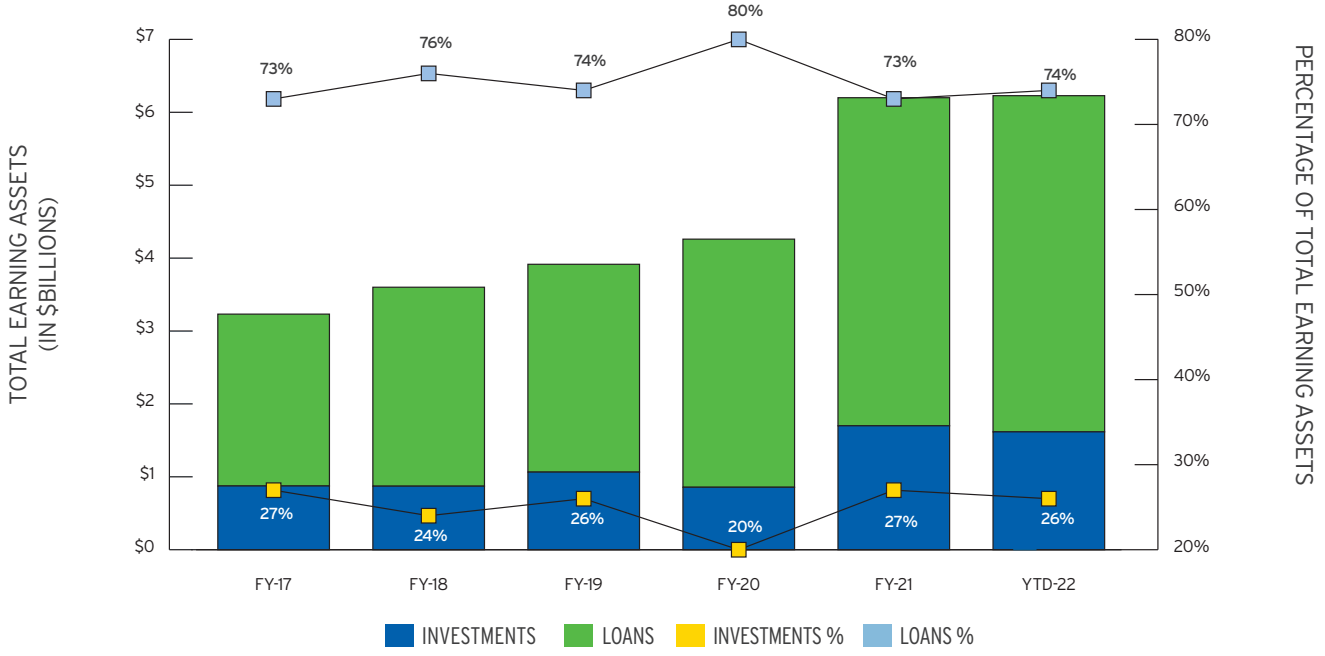
NASDAQ: PEBO

TOTAL LOANS* WERE $4.6 BILLION AS OF SEPTEMBER 30, 2022, WHICH INCLUDED $3.7 MILLION IN PPP LOANS



*Also referred to throughout this document as "total loans" and "loans held for investment"

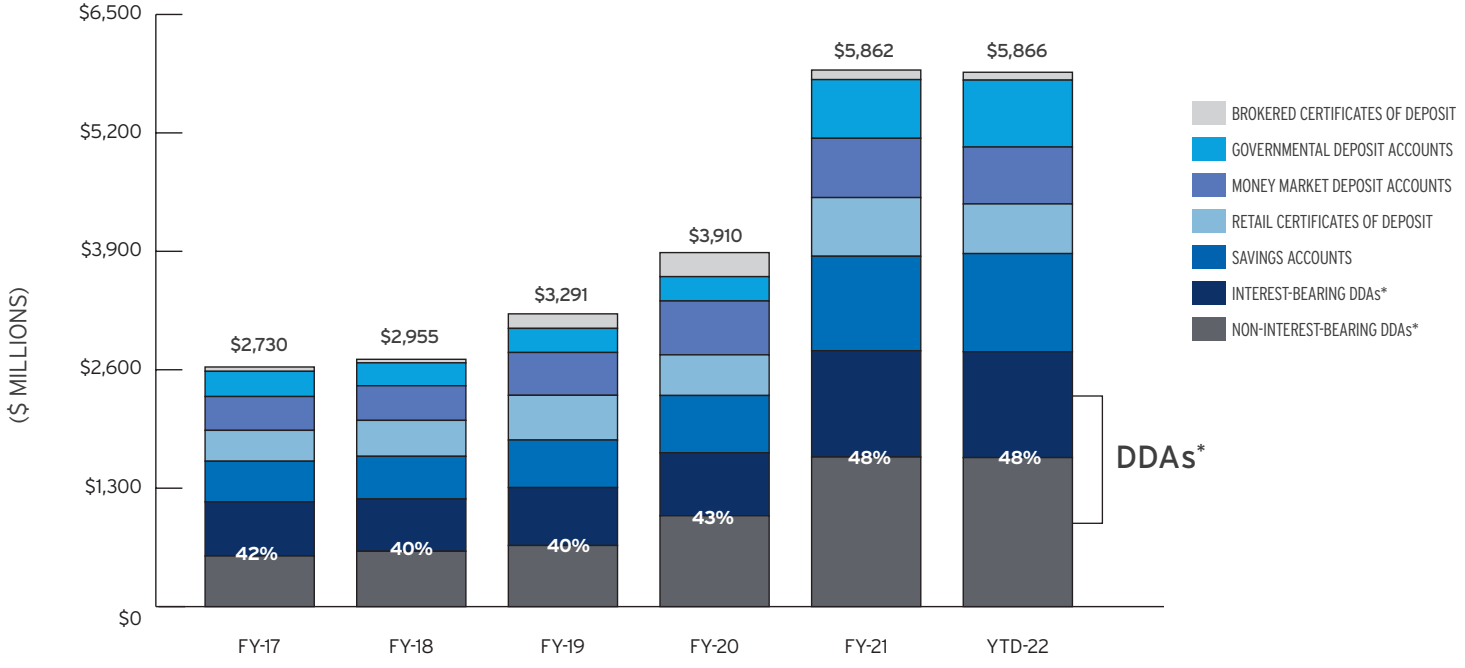
THE INCREASE IN EARNING ASSETS IN 2021 WAS DUE TO ACQUISITIONS



DEPOSIT GROWTH

NASDAQ: PEBO

DEPOSIT BALANCES BENEFITED FROM PPP LOAN PROCEEDS, FISCAL STIMULUS FOR CONSUMERS AND COMMERCIAL CLIENTS, AND THE ACQUISITION OF PREMIER FINANCIAL BANCORP, INC.



*DDAs stands for demand deposit accounts and represents interest-bearing and non-interest bearing transaction accounts.

Q3 & YTD 2022 APPENDIX

PRE-PROVISION NET REVENUE

Pre-provision net revenue (PPNR) has become a key financial measure used by federal bank regulatory agencies when assessing the capital adequacy of financial institutions. PPNR is defined as net interest income plus total non-interest income (excluding all gains and losses) minus total non-interest expense and, therefore, excludes the provision for loan losses and all gains and/or losses included in earnings. PPNR excludes income tax expense. As a result, PPNR represents the earnings capacity that can be either retained in order to build capital or used to absorb unexpected losses and preserve existing capital.

($ in Thousands)	**FY-15**	**FY-16**	**FY-17**	**FY-18**	**FY-19**	**FY-20**	**FY-21**	**YTD-22**
Income before income taxes	$ 14,816	$ 45,282	$ 57,203	$ 54,941	$ 65,358	$ 42,646	$ 56,970	$ 94,661
Add: Provision for loan/credit losses	14,097	3,539	3,772	5,448	2,504	26,254	731	1,776
Add: Loss on debt extinguishment	–	707	–	–	–	–	–	–
Add: Loss on OREO	530	34	116	35	98	120	–	138
Add: Loss on securities	–	1	–	147	–	368	862	44
Add: Loss on other assets	696	427	–	469	692	170	252	142
Add: Loss on other transactions	43	–	–	76	–	–	–	128
Less: Recovery of loan losses	–	–	–	–	–	–	–	7,587
Less: Gain on OREO	–	–	–	14	–	–	56	–
Less: Gains on securities	729	931	2,983	1	164	–	–	151
Less: Gains on other assets	–	35	28	76	8	–	–	94
Less: Gains on other transactions	–	–	25	168	–	–	897	–
Pre-provision net revenue	**$ 29,453**	**$ 49,024**	**$ 58,055**	**$ 60,857**	**$ 68,480**	**$ 69,558**	**$ 57,862**	**$ 89,057**
Average assets *(in millions)*	$ 3,112	$ 3,320	$ 3,510	$ 3,872	$ 4,222	$ 4,739	$ 5,673	$ 7,104
Pre-provision net revenue to average assets	0.95%	1.48%	1.65%	1.57%	1.62%	1.47%	1.02%	1.68%

PRE-PROVISION NET REVENUE ADJUSTED FOR NON-CORE ITEMS

Pre-provision net revenue (PPNR) has become a key financial measure used by federal bank regulatory agencies when assessing the capital adequacy of financial institutions. PPNR adjusted for non-core items is defined as net interest income, excluding system upgrade revenue waived, acquisition costs, contract negotiation fees, Peoples Bank Foundation, Inc. contribution. Severance costs, COVID-19-related expenses and pension settlement charges, plus the provision for loan losses, refund of contract negotiation fees and all gains and/or losses included in the earnings. PPNR excludes income tax expense. As a result, PPNR represents the earnings capacity that can be retained in order to build capital or used to absorb unexpected losses and preserve existing capital.

($ in Thousands)	**FY-15**	**FY-16**	**FY-17**	**FY-18**	**FY-19**	**FY-20**	**FY-21**	**YTD-22**
Income before income taxes	$ 14,816	$ 45,282	$ 57,203	$ 54,941	$ 65,358	$ 42,646	$ 56,970	$ 94,661
Add: System upgrade revenue waived	–	85	–	–	–	–	–	–
Add: Acquisition-related expenses	10,722	–	341	7,262	7,287	489	21,420	2,314
Add: COVID-19 related expenses	–	–	–	–	–	1,332	1,248	132
Add: System upgrade costs	–	1,259	–	–	–	–	–	–
Add: Contract negotiation expenses	–	–	–	–	–	–	1,248	–
Add: Other non-core costs	592	–	–	–	270	1,055	579	–
Add: Pension settlement charges	459	–	242	267	–	1,054	143	139
Add: Provision for loan/credit losses	14,097	3,539	3,772	5,448	2,504	26,254	731	1,776
Add: Loss on debt extinguishment	520	707	–	–	–	–	–	–
Add: Loss on OREO	529	34	116	35	98	120	–	138
Add: Loss on securities	–	1	–	147	–	368	862	44
Add: Loss on other assets	696	427	–	469	692	170	459	142
Add: Loss on other transactions	43	–	–	76	–	–	–	128
Less: Recovery of loan losses	–	–	–	–	–	–	–	7,587
Less: Gain on OREO	–	–	–	14	–	–	56	–
Less: Gains on securities	729	931	2,983	1	164	–	–	151
Less: Gains on other assets	–	35	28	76	8	–	–	94
Less: Gains on other transactions	–	–	25	168	–	–	897	–
Pre-provision net revenue	**$ 41,702**	**$ 50,368**	**$ 58,638**	**$ 68,386**	**$ 76,037**	**$ 73,488**	**$ 82,707**	**$ 91,642**
Average assets *(in millions)*	$ 3,112	$ 3,320	$ 3,510	$ 3,872	$ 4,222	$ 4,739	$ 5,673	$ 7,104
Pre-provision net revenue to average assets	1.34%	1.52%	1.67%	1.77%	1.80%	1.55%	1.46%	1.72%

APPENDIX
NON-US GAAP MEASURES

NASDAQ: PEBO

CORE NON-INTEREST INCOME

Core non-interest income is a financial measure use by Peoples' recurring non-interest revenue stream. This measure is non-US GAAP since it excludes the impact of all gains and/or losses, and core banking system conversion revenue waived

($ in Thousands)	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	YTD-22
Total noninterest income	$ 46,382	$ 50,867	$ 55,573	$ 56,754	$ 64,274	$ 63,672	$ 68,885	$ 59,802
Less: net gain (loss) on investment securities	729	930	2,983	(146)	164	(368)	862	107
Less: net gain (loss) on asset disposals and other transactions	(1,788)	(1,133)	(63)	(334)	(782)	(290)	(493)	(314)
Add: core banking system conversion revenue waived	–	85	–	–	–	–	–	
Core non-interest income excluding gains and losses	**$ 47,441**	**$ 51,155**	**$ 52,653**	**$ 57,234**	**$ 64,892**	**$ 64,330**	**$ 68,516**	**$ 60,009**

CORE NON-INTEREST EXPENSE

Core non-interest expense is a financial measure used to evaluate Peoples' recurring expense stream. This measure is non-US GAAP since it excludes the impact of core banking system conversion expenses, acquisition-related expenses, COVID-19-related expenses, contract negotiation fees, pension settlement charges, and other non-recurring expenses.

($ in Thousands)	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	YTD-22
Total non-interest expense	$ 115,081	$ 106,911	$ 107,975	$ 125,977	$ 137,250	$ 133,695	$ 183,737	$ 153,781
Less: system conversion expenses	–	1,259	–	–	–	–	–	–
Less: acquisition-related expenses	10,722	–	341	7,262	7,287	489	21,420	2,314
Less: pension settlement charges	459	–	242	267	–	1,054	143	139
Less: COVID-19 related expenses	–	–	–	–	–	1,332	1,248	132
Less: contract negotiation expenses	–	–	–	–	–	–	1,248	–
Less: other non-core charges	592	–	–	–	270	1,055	579	–
Core noninerest expense	**$ 103,308**	**$ 105,652**	**$ 107,392**	**$ 118,448**	**$ 129,693**	**$ 129,765**	**$ 159,099**	**$ 151,196**

EFFICIENCY RATIO AND ADJUSTED FOR NON-CORE ITEMS

The efficiency ratio is a key financial measure used to monitor performance. The efficiency ratio is calculated as total non-interest expense (less amortization of other intangible assets) as a percentage of fully tax-equivalent net interest income plus total non-interest income excluding all gains and losses. This measure in non-US GAAP since it excludes amortization of other intangible assets, and all gains and/or losses included in earnings, and uses fully tax-equivalent net interest income. The efficiency ratio adjusted for non-core items is non-US GAAP since it excludes amortization of other intangible assets, non-core expenses, system upgrade revenue waived and all gains and/or losses included in earnings, and uses fully tax-equivalent net interest income.

($ in Thousands)	**FY-15**	**FY-16**	**FY-17**	**FY-18**	**FY-19**	**FY-20**	**FY-21**	**YTD-22**
Total noninterest expense	$ 115,081	$ 106,911	$ 107,975	$ 125,977	$ 137,250	$ 133,695	$ 183,737	$ 153,781
Less: amortization on other intangible assets	4,077	4,030	3,516	3,338	3,359	3,223	4,775	5,765
Adjusted total non-interest expense	111,004	102,881	104,459	122,639	133,891	130,472	178,962	148,016
Total non-interest income excluding net gains and losses	47,441	51,070	52,653	57,234	64,892	64,330	69,254	60,009
Net interest income	97,612	104,865	113,377	129,612	140,838	138,923	172,395	182,829
Add: fully taxable equivalent adjustment	1,978	2,027	1,912	881	1,068	1,054	1,350	1,116
Net interest income on a fully taxable equivalent basis	99,590	106,892	115,289	130,493	141,906	139,977	173,745	183,945
Adjusted revenue	$ 147,031	$ 157,962	$ 167,942	$ 187,727	$ 206,798	$ 204,307	$ 242,999	$ 243,954
Efficiency ratio	**75.50%**	**65.13%**	**62.20%**	**65.33%**	**64.74%**	**63.86%**	**73.65%**	**60.67%**
Core non-interest expense	$ 103,308	$ 105,652	$ 107,392	$ 118,448	$ 129,693	$ 129,765	$ 159,099	$ 151,196
Less: amortization on other intangible assets	4,077	4,030	3,516	3,338	3,359	3,223	4,775	5,765
	99,231	101,622	103,876	115,110	126,334	126,542	154,324	145,431
Core non-interest income excluding gains and losses	47,441	51,070	52,653	57,234	64,892	64,330	69,254	60,009
Net interest income on a fully taxable equivalent basis	99,590	106,892	115,289	130,493	141,906	139,977	173,745	183,945
Adjusted core revenue	147,031	157,962	167,942	187,727	206,798	204,307	242,999	243,954
Efficiency ratio adjusted for non-core items	**67.49%**	**64.33%**	**61.85%**	**61.32%**	**61.09%**	**61.94%**	**63.51%**	**59.61%**

APPENDIX
NON-US GAAP MEASURES

NASDAQ: PEBO

TANGIBLE EQUITY TO TANGIBLE ASSETS AND TANGIBLE BOOK VALUE PER SHARE

Peoples uses tangible capital measures to evaluate the adequacy of Peoples' stockholders'. Such ratios represent non-US GAAP financial measures since the calculation removes the impact of goodwill and other intangible assets acquired through acquisitions on both total stockholders' equity and total assets. Management believes this information is useful to investors since it facilitates the comparison of Peoples' operating performance, financial condition and trends to peers, especially those without a level of intangible assets similar to that of Peoples. The following table reconciles the calculation of these non-USGAAP financial measures to amounts reported in Peoples' consolidated financial statements.

($ in Thousands)	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	YTD-22
Total stockholders equity	$ 419,789	$ 435,261	$ 458,592	$ 520,140	$ 594,393	$ 575,673	$ 845,025	$ 760,511
Less: goodwill and other intangible assets	149,617	146,018	144,576	162,085	177,503	184,597	290,009	328,428
Tangible equity	**270,172**	**289,243**	**314,016**	**358,055**	**416,890**	**391,076**	**555,016**	**432,083**
Total assets	$ 3,258,970	$ 3,432,348	$ 3,581,686	$ 3,991,454	$ 4,354,165	$ 4,760,764	$ 7,063,521	$ 7,005,854
Less: goodwill and other intangible assets	149,617	146,018	144,576	162,085	177,503	184,597	290,009	328,428
Tangible assets	**3,109,353**	**3,286,330**	**3,437,110**	**3,829,369**	**4,176,662**	**4,576,167**	**6,773,512**	**6,677,426**
Tangible equity to tangible assets	**8.69%**	**8.80%**	**9.14%**	**9.35%**	**9.98%**	**8.55%**	**8.19%**	**6.47%**
Tangible equity	$ 270,172	$ 289,243	$ 314,016	$ 358,055	$ 416,890	$ 391,076	$ 555,016	$ 432,083
Common shares outstanding	18,404,864	18,200,067	18,287,449	19,565,029	20,698,941	19,563,979	28,297,771	28,278,078
Tangible book value per share	**$ 14.68**	**$ 15.89**	**$ 17.17**	**$ 18.30**	**$ 20.14**	**$ 19.99**	**$ 19.61**	**$ 15.28**

RETURN ON AVERAGE ASSETS AND ADJUSTED FOR NON-CORE ITEMS

The return on average assets adjusted for non-core items represents a non-US GAAP financial measure since it excludes the release of the deferred tax asset valuation allowance, the impact of the Tax Cuts and Jobs ACT on the reimbursement of deferred tax assets and deferred tax liabilities, and the after-tax impact of all gains and losses, Peoples Bank Foundation, Inc. contribution, severance costs, COVID-19-related expenses, acquisition-related expenses, contract negotiation fees, and pension settlement charges.

($ in Thousands)	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	YTD-22
Annualized net income	$ 10,941	$ 31,157	$ 38,471	$ 46,255	$ 53,695	$ 34,767	$ 47,555	$ 99,530
Total average assets	3,111,853	3,320,447	3,510,274	3,871,832	4,222,482	4,739,289	5,672,594	7,103,979
Return on average assets	**0.35%**	**0.94%**	**1.10%**	**1.19%**	**1.27%**	**0.73%**	**0.84%**	**1.40%**
Return on average assets adjusted for non-core items:								
Net income	$ 10,941	$ 31,157	$ 38,471	$ 46,255	$ 53,695	$ 34,767	$ 47,555	$ 74,443
Add: core banking system conversion revenue waived	–	85	–	–	–	–	–	–
Less: tax effect of core banking system conversion revenue waived	–	30	–	–	–	–	–	–
Add: net loss on investment securities	–	–	–	146	–	368	862	–
Less: tax effect of net loss on investment securities	–	–	–	31	–	77	181	–
Less: net gain on investment securities	729	930	2,983	–	164	–	–	107
Add: tax effect of net gain on investment securities	255	325	1,044	–	34	–	–	22
Less: net gain on assets disposals and other transactions	-	-	-	–	–	–	493	–
Add: tax effect of net gain on asset disposals and other transactions	-	-	-	–	–	–	104	–
Add: net loss on asset disposals and other transactions	1,788	1,133	63	334	782	290	–	314
Less: tax effect on net loss on asset disposals and other transactions	626	397	22	70	164	61	–	66
Add: system conversion expenses	–	1,259	–	–	–	–	–	–
Less: tax effect on system conversion expense	–	441	–	–	–	–	–	–
Add: acquisition-related expenses	10,722	–	341	7,262	7,287	489	21,420	2,314
Less: tax effect on acquisition-related expenses	3,753	–	119	1,525	1,530	103	4,498	486
Add: pension settlement charges	459	–	242	267	–	1,054	143	139
Less: tax effect on pension settlement charges	161	–	85	56	–	221	30	29
Add: COVID-19 expenses	–	–	–	–	–	1,332	1,248	132
Less: tax effect on COVID-19 expenses	–	–	–	–	–	280	262	28
Add: other non-core charges	592	–	–	–	270	1,055	579	–
Less: tax effect on other non-core charges	207	–	–	–	57	222	122	–
Add: contract negotiation fees	–	–	–	–	–	–	1,248	–
Less: tax effect on contract negotiation fees	–	–	–	–	–	–	262	–
Less: release of deferred tax asset valuation	–	–	–	805	–	–	–	–
Less: impact of Tax Cuts and Jobs Act on deferred tax liability	–	–	–	705	–	–	–	–
Add: impact of Tax Cuts and Jobs Act on deferred tax assets	–	–	897	-	–	–	–	–
Net income adjusted for non-core items	$ 19,281	$ 32,161	$ 37,849	$ 51,072	$ 60,153	$ 40,319	$ 65,339	$ 76,648
Total average assets	3,111,853	3,320,447	3,510,274	3,871,832	4,222,482	4,739,289	5,672,594	7,103,979
Return on average assets adjusted for non-core items	**0.62%**	**0.97%**	**1.08%**	**1.32%**	**1.42%**	**0.85%**	**1.15%**	**1.44%**

(a) Tax effect is calculated using a 21% federal statutory tax rate for the 2021, 2020, 2019 and 2018 periods and 35% federal statutory rate for all other periods shown.

APPENDIX
NON-US GAAP MEASURES

NASDAQ: PEBO

RETURN ON AVERAGE TANGIBLE STOCKHOLDERS' EQUITY

The return on average assets adjusted for non-core items represents a non-US GAAP financial measure since it excludes the release of the deferred tax asset valuation allowance, the impact of the Tax Cuts and Jobs Act on the remeasurement of deferred tax assets and deferred tax liabilities, and the after-tax impact of all gains and losses, Peoples Bank Foundation, Inc. contribution, severance costs, COVID-19-related expenses, acquisition-related expenses. Contract negotiation fees and pension settlement charges.

($ in Thousands)	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	YTD-22
Annualized net income	$ 10,941	$ 31,157	$ 38,471	$ 46,255	$ 53,695	$ 34,767	$ 47,555	$ 99,530
Add: amortization of other intangible assets	4,077	4,030	3,516	3,338	3,359	3,223	4,775	5,765
Less: tax effect of amortization of other intangible assets (a)	1,427	1,411	1,231	701	705	677	1,003	1,211
Net income excluding the amortization of intangible assets	13,591	33,776	40,756	48,892	56,349	37,313	51,327	104,084
Total average equity	407,296	432,666	450,379	488,139	566,123	575,386	656,633	807,869
Less: average goodwill and other intangible assets	144,013	147,981	144,696	158,115	173,529	181,526	234,683	321,043
Average tangible equity	263,283	284,685	305,683	330,024	392,594	393,860	421,950	486,826
Annualized net income	$ 10,941	$ 31,157	$ 38,471	$ 46,255	$ 53,695	$ 34,767	$ 47,555	$ 99,530
Total average equity	407,296	432,666	450,379	488,139	566,123	575,386	656,633	807,869
Return on average equity	**2.69%**	**7.20%**	**8.54%**	**9.48%**	**9.48%**	**6.04%**	**7.24%**	**12.32%**
Annualized net income excluding the amortization of intangible assets	$ 13,591	$ 33,776	$ 40,756	$ 48,892	$ 56,349	$ 37,313	$ 51,327	$ 104,084
Average tangible equity	263,283	284,685	305,683	330,024	392,594	393,860	421,950	486,826
Return on average tangible equity	**5.16%**	**11.86%**	**13.33%**	**14.81%**	**14.35%**	**9.47%**	**12.16%**	**21.38%**

(a) Tax effect is calculated using a 21% federal statutory tax rate for the 2021, 2020, 2019 and 2018 periods and 35% federal statutory rate for all other periods shown.

RETURN ON AVERAGE STOCKHOLDERS' EQUITY ADJUSTED FOR NON-CORE ITEMS

The return on average stockholders' equity adjusted for non-core items represents a non-US GAAP financial measure since it excludes the release of the deferred tax asset valuation allowance, the impact of the Tax Cuts and Jobs Act on the remeasurement of deferred tax assets and deferred tax liabilities, and after-tax impact of all gains and losses, other non-core charges, Peoples Bank Foundation, Inc. contribution, severance costs, COVID-19 related expenses, acquisition-related expenses, contract negotiation fees, and pension settlement charges.

($ in Thousands)	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21	YTD-22
Return on average equity adjusted for non-core items:								
Net income	$ 10,941	$ 31,157	$ 38,471	$ 46,255	$ 53,695	$ 34,767	$ 47,555	$ 74,443
Add: core banking system conversion revenue waived	–	85	–	–	–	–	–	–
Less: tax effect of core banking system conversion revenue waived (a)	–	30	–	–	–	–	–	–
Add: net loss on investment securities	–	–	–	146	–	368	862	–
Less: tax effect of net loss on investment securities (a)	–	–	–	31	–	77	181	–
Less: net gain on investment securities	729	930	2,983	–	164	–	–	107
Add: tax effect of net gain on investment securities (a)	255	325	1,044	–	34	–	–	22
Less: net gain on assets disposals and other transactions	-	-	-	–	–	–	1,325	–
Add: tax effect of net gain on asset disposals and other transactions	-	-	-	–	–	–	278	–
Add: net loss on asset disposals and other transactios	1,788	1,133	63	334	782	290	–	314
Less: tax effect on net loss on asset disposals and other transactions (a)	626	397	22	70	164	61	–	66
Add: system conversion expenses	–	1,259	–	–	–	–	–	–
Less: tax effect on system conversion expense (a)	–	441	–	–	–	–	–	–
Add: acquisition-related expenses	10,722	–	341	7,262	7,287	489	21,420	2,314
Less: tax effect on acquisition-related expenses (a)	3,753	–	119	1,525	1,530	103	4,498	486
Add: pension settlement charges	459	–	242	267	–	1,054	143	139
Less: tax effect on pension settlement charges (a)	161	–	85	56	–	221	30	29
Add: COVID-19 expenses	–	–	–	–	–	1,332	1,248	132
Less: tax effect on COVID-19 related expenses (a)	–	–	–	–	–	280	262	28
Add: other non-core charges	592	–	–	–	270	1,055	579	–
Less: tax effect on other non-core charges (a)	207	–	–	–	57	222	122	–
Add: contract negotiation fees	–	–	–	–	–	–	1,248	–
Less: tax effect on contract negotiation expenses (a)	–	–	–	–	–	–	262	–
Less: release of deferred tax asset valuation	–	–	–	805	–	–	–	–
Less: impact of Tax Cuts and Jobs Act on deferred tax liability	–	–	–	705	–	–	–	–
Add: impact of Tax Cuts and Jobs Act on deferred tax assets	–	–	897	–	–	–	–	–
Net income adjusted for non-core items	$ 19,281	$ 32,161	$ 37,849	$ 51,072	$ 60,153	$ 38,391	$ 66,653	$ 76,648
Average equity	407,296	432,666	450,379	488,139	566,123	575,386	656,633	807,869
Return on average equity adjusted for non-core items	**4.73%**	**7.43%**	**8.40%**	**10.46%**	**10.63%**	**6.67%**	**10.15%**	**12.68%**
Net income adjusted for non-core items	$ 19,281	$ 32,161	$ 37,849	$ 51,072	$ 60,153	$ 38,391	$ 66,653	$ 76,648
Average tangible equity	263,283	284,685	305,683	330,024	392,594	393,860	421,950	486,826
Return on average tangible equity adjusted for non-core items	**7.32%**	**11.30%**	**12.38%**	**15.48%**	**15.32%**	**9.75%**	**15.80%**	**21.05%**

(a) Tax effect is calculated using a 21% federal statutory tax rate for the 2021, 2020, 2019 and 2018 periods and 35% federal statutory rate for all other periods shown.

CHUCK SULERZYSKI
President and Chief Executive Officer
740.374.6163
Chuck.Sulerzyski@pebo.com

KATIE BAILEY
Executive Vice President
Chief Financial Officer and Treasurer
740.376.7138
Kathryn.Bailey@pebo.com

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