

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2012
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>PEOPLES BANCORP INC. RETIREMENT PLAN AND TRUST</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>01/01/1982</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PEOPLES BANCORP INC.</u> <u>138 PUTNAM STREET</u> <u>MARIETTA, OH 45750</u>	2b Employer Identification Number (EIN) <u>31-0987416</u> 2c Sponsor's telephone number <u>740-373-3155</u> 2d Business code (see instructions) <u>522110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/07/2013</u>	<u>TYLER WILCOX</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 566
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	353
b Retired or separated participants receiving benefits.....	6b	12
c Other retired or separated participants entitled to future benefits.....	6c	60
d Subtotal. Add lines 6a , 6b , and 6c	6d	425
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	5
f Total. Add lines 6d and 6e	6f	430
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	6
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 1G 1I 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>PEOPLES BANCORP INC. RETIREMENT PLAN AND TRUST</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PEOPLES BANCORP INC.</u>	D Employer Identification Number (EIN) <u>31-0987416</u>	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

UNITED OF OMAHA LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
<u>47-0322111</u>	<u>69868</u>	<u>SPG-16369</u>	<u>63</u>	<u>01/01/2012</u>	<u>12/31/2012</u>

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
<u>26552</u>	<u>0</u>

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

ELLIOT N. DINKIN
COWDEN ASSOCIATES, INC.
444 LIBERTY AVENUE, SUITE 605
PITTSBURGH, PA 15222

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
<u>19914</u>	<u>0</u> <u>N/A</u>		<u>3</u>

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

VAN LUMBARD
ANN ARBOR ANNUITY EXCHANGE
45 RESEARCH DRIVE
ANN ARBOR, MI 48103

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
<u>6638</u>	<u>0</u> <u>N/A</u>		<u>3</u>

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶ **APPLICABLE MORTALITY TABLE & INTEREST RATE DETERMINED BY INSURANCE CO.**

b Premiums paid to carrier	6b	663811
c Premiums due but unpaid at the end of the year	6c	0
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶ N/A	6d	0

e Type of contract: (1) ☐ individual policies (2) ☒ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
(6) Total additions	7c(6)	
d Total of balance and additions (add lines 7b and 7c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>PEOPLES BANCORP INC. RETIREMENT PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PEOPLES BANCORP INC.</u>	D Employer Identification Number (EIN) <u>31-0987416</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>10409333</u>
b Actuarial value	2b <u>10838928</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>36</u> <u>1388602</u>
b For terminated vested participants.....	3b <u>103</u> <u>979148</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>186913</u>
(2) Vested benefits.....	3c(2) <u>7989092</u>
(3) Total active	3c(3) <u>427</u> <u>8176005</u>
d Total	3d <u>566</u> <u>10543755</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>7.15 %</u>
6 Target normal cost.....	6 <u>39026</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/07/2013</u>
Signature of actuary		Date
<u>ROBERT W. HAZY</u>		<u>11-04204</u>
Type or print name of actuary		Most recent enrollment number
<u>COWDEN ASSOCIATES, INC.</u>		<u>412-394-9990</u>
Firm name		Telephone number (including area code)
<u>FOUR GATEWAY CENTER, SUITE 605</u> <u>PITTSBURGH, PA 15222-1222</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	1531865
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	417747
9	Amount remaining (line 7 minus line 8)	0	1114118
10	Interest on line 9 using prior year's actual return of <u>-2.07</u> %		-23062
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of <u>6.14</u> % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1091056

Part III Funding Percentages			
14	Funding target attainment percentage	14	92.45 %
15	Adjusted funding target attainment percentage	15	102.63 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.57 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?		☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?		☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0		0
		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	39026										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <tr> <td></td> <td>Outstanding Balance</td> <td>Installment</td> </tr> <tr> <td>a Net shortfall amortization installment</td> <td>795883</td> <td>180321</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	795883	180321	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	795883	180321										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	219347										
	Carryover balance	Prefunding balance	Total balance									
35 Balances elected for use to offset funding requirement.....	0	219347	219347									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b											
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years.....	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan PEOPLES BANCORP INC. RETIREMENT PLAN AND TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PEOPLES BANCORP INC.	D Employer Identification Number (EIN) 31-0987416	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a Total noninterest-bearing cash	1a		0	0
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions	1b(1)		0	0
(2) Participant contributions	1b(2)		0	0
(3) Other.....	1b(3)		13714	20542
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		496893	400972
(2) U.S. Government securities.....	1c(2)		866265	1089394
(3) Corporate debt instruments (other than employer securities):				
(A) Preferred	1c(3)(A)		470718	362873
(B) All other.....	1c(3)(B)			
(4) Corporate stocks (other than employer securities):				
(A) Preferred	1c(4)(A)			
(B) Common	1c(4)(B)		299835	0
(5) Partnership/joint venture interests	1c(5)			
(6) Real estate (other than employer real property)	1c(6)			
(7) Loans (other than to participants)	1c(7)			
(8) Participant loans	1c(8)			
(9) Value of interest in common/collective trusts.....	1c(9)		0	0
(10) Value of interest in pooled separate accounts.....	1c(10)			
(11) Value of interest in master trust investment accounts	1c(11)			
(12) Value of interest in 103-12 investment entities	1c(12)			
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		8261908	8144185
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)			0
(15) Other	1c(15)			

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	10409333	10017966

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10409333	10017966
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	90	
(B) U.S. Government securities	2b(1)(B)	24183	
(C) Corporate debt instruments	2b(1)(C)	15794	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		40067
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2766	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	228371	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		231137
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	3481203	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	3419357	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		61846
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-43272	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-43272

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1019351
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1309129

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	997659	
(2) To insurance carriers for the provision of benefits	2e(2)	663811	
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1661470
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	39026	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		39026
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1700496

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-391367
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BKD, LLP**

(2) EIN: **44-0160260**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>PEOPLES BANCORP INC. RETIREMENT PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PEOPLES BANCORP INC.</u>	D Employer Identification Number (EIN) <u>31-0987416</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>31-1294045</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>36</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Auditor's Report and Financial Statements

December 31, 2012 and 2011

Peoples Bancorp Inc. Retirement Plan

December 31, 2012 and 2011

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Independent Auditor's Report

Plan Administrator
Peoples Bancorp Inc. Retirement Plan
Marietta, Ohio

We have audited the accompanying financial statements of the Peoples Bancorp Inc. Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the net assets available for benefits of the Peoples Bancorp Inc. Retirement Plan as of December 31, 2012, and changes therein for the year then ended and its financial status as of December 31, 2011, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Cincinnati, Ohio
September 27, 2013

Federal Employer Identification Number: 44-0160260

Peoples Bancorp Inc. Retirement Plan
Statements of Net Assets Available for Benefits
December 31, 2012 and 2011

	2012	2011
ASSETS		
Investments, at fair value		
Money market funds	\$ 399,669	\$ 493,740
Common stock	—	299,835
Stock mutual funds	7,545,156	7,561,896
Bond mutual funds	599,027	700,012
Corporate bonds	362,874	470,718
Municipal bonds	931,863	827,950
U.S. government and agency securities	157,532	38,315
Total investments, at fair value	9,996,121	10,392,466
Receivables		
Accrued interest and dividends	20,542	13,714
Cash and cash equivalents	1,303	3,153
Total assets	10,017,966	10,409,333
Net assets available for benefits	\$ 10,017,966	\$ 10,409,333

See Notes to Financial Statements.

Peoples Bancorp Inc. Retirement Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 1,031,097	\$ (530,108)
Interest and dividends	278,032	283,195
Total	1,309,129	(246,913)
Deductions		
Benefits paid to participants	1,661,470	1,894,908
Administrative expenses	39,026	19,465
Total	1,700,496	1,914,373
Net decrease	(391,367)	(2,161,286)
Net assets available for benefits, beginning of year	10,409,333	12,570,619
Net assets available for benefits, end of year	\$ 10,017,966	\$ 10,409,333

See Notes to Financial Statements.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

Note 1. Description of the Plan

The following description of the Peoples Bancorp Inc. Retirement Plan (the "Plan") provides only general information. Additional information about the vesting and benefit provisions and the Pension Benefit Guarantee Corporation's ("PBGC") benefit guarantee is contained in the *Plan Document* and *Summary Plan Description*, which are available from the Plan Administrator.

General

The Plan is a noncontributory defined benefit plan that covers substantially all employees and provides for retirement, death and disability benefits and is based on an employee's years of service and compensation. For employees hired on or after January 1, 2003 that became a participant in the Plan, the normal form of benefit shall be equal to the actuarial equivalent of a cash balance account. Effective January 1, 2010, the Plan was closed to new entrants.

The Plan is subject to provisions of the *Employee Retirement Income Security Act of 1974* ("ERISA"). The Trust and Investment Services division of Peoples Bancorp Inc. ("Peoples") is the trustee of the plan.

Contributions

Peoples has agreed to voluntarily contribute such amounts that are necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The Plan has met the minimum funding requirements established by the federal government.

Pension Benefits

Benefits under the Plan, for employees hired before January 1, 2003, are based on 40% of an employee's average compensation, as defined, plus 17% of average compensation in excess of Social Security covered compensation. Employees hired on or after January 1, 2003 are subject to the cash balance provisions of the Plan. Normal retirement age for Plan benefits is 65. Participants may elect to receive reduced benefits upon early retirement at age 50, provided that they have at least ten years of service with the Company. Accrued benefits are payable as an annuity over the participant's lifetime or as a qualified joint and one half-survivor annuity. Participants may also choose from several optional payment methods, including payment in a lump sum.

At December 31, 2012 there were no Plan assets allocated to accounts of terminated or retired participants who had elected payment from the Plan but had not yet been paid, and at December 31, 2011, these totaled \$259,411.

Effective March 1, 2011, the accrued benefit for all participants of the Plan was frozen. As a result, no participant accrued any additional benefits during 2012 or 2011, and will not accrue additional benefits in future years.

Death Benefits

Unless an optional payment method is elected, the spouse of a participant will receive a 50% survivor annuity, as defined in the Plan, upon the death of the participant. The surviving spouse annuity is equal to 50% of the participant's monthly benefit. This benefit is immediately payable to the spouse if the participant was already receiving benefits. If the participant was not already receiving benefits, payments to the spouse may commence as of the earliest date the participant would have received benefits.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

Vesting

Eligible employees are fully vested upon completion of three years of vesting service or become eligible for disability retirement.

Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.
- b. Other vested benefits insured by the (PBGC) up to the applicable limitations discussed below.
- c. Vested benefits not insured by the PBGC.
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

Note 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

Method of Accounting

The accompanying financial statements are prepared on the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets available for benefits, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are stated at fair value based on quoted market prices on the valuation date. Investments traded on a national securities exchange are valued at the last reported sales price on the

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

last business day of the plan year; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Accumulated Plan Benefits

Accumulated plan benefits (see *Note 5*) are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries, and
- b. Present employees or their beneficiaries

Benefits under the Plan for employees hired prior to January 1, 2003 are based on employees' highest average monthly compensation during five consecutive calendar years of the ten most recent calendar years of credited service. The accumulated plan benefits for eligible employees hired before January 1, 2003 are based on their average compensation during the five years preceding the valuation date. For eligible employees hired after January 1, 2003, benefits are the actuarial equivalent of a cash balance account with annual accruals equals to 2% of compensation for each eligible plan year plus interest based on a variable rate as stated in the plan document. Benefits payable under all circumstances — retirement, death, disability and termination of employment — are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Plan Tax Status

The Plan obtained its latest determination letter on January 10, 2008 from the Internal Revenue Service which stated the Plan and related trust, as amended and restated effective January 31, 2007, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended since receiving this determination letter. However, the Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

Note 3. Investments

The Plan's investments are held by a bank-administered trust fund. The following table presents those investments that represent 5% or more of the Plan's total assets, at fair value:

	<u>2012</u>	<u>2011</u>
<u>Stock mutual funds:</u>		
Vanguard 500 Index Signal Fund #1340	\$ 1,376,288	\$ (a)
Ishares Core S&P Midcap ETF	809,837	(a)
Ishares S&P 100 Index Fund	697,682	(a)
Ishares MSCI EAFE Index Foreign	690,849	(a)
SPDR Dow Jones Industrial Average ETF Trust Series 1	(a)	795,071
Guggenheim S&P 500 Pure Growth	(a)	523,685

(a) The investment comprised less than 5% the Plan's total assets at the respective year-end.

The following table details the net appreciation or depreciation of the Plan's investments during the year ended December 31, including realized gains and losses on those investments bought, sold and held during the year:

	<u>2012</u>	<u>2011</u>
Common stock	\$ 15,528	\$ 19,968
Stock mutual funds:		
Large cap	489,301	(26,372)
Mid cap	172,687	(56,501)
Small cap	54,843	(45,810)
International funds	99,756	(250,934)
Alternative funds	181,085	(184,155)
Bond mutual funds	21,679	(4,512)
Corporate bonds	(6,363)	(4,296)
Municipal bonds	3,207	22,908
U.S. government and agency securities	(626)	(404)
Net appreciation (depreciation) in fair value	\$ 1,031,097	\$ (530,108)

Interest and dividends realized on the Plan's investments for 2012 and 2011 were \$278,032 and \$283,195, respectively.

Note 4. Fair Value Measurements

The measurement of fair value under US GAAP uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Level 1: Quoted prices in active exchange markets for identical assets or liabilities.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

Level 2: Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for single dealer nonbinding quotes not corroborated by observable market data.

There have been no significant changes in the valuation techniques during the year ended December 31, 2012. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a non-recurring basis. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Money market funds: The fair values used are obtained by quoted prices in an active market and are classified within Level 1 in the hierarchy.

Common stock: These represent investments in common stock issued by publicly traded companies. The fair values used are obtained by quoted prices in an active market and are classified within Level 1 in the hierarchy.

Stock mutual funds: These investments are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Bond mutual funds: These investments are public investment vehicles valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Corporate bonds: These investments represent corporate obligations. Corporate bonds are valued from quoted prices in an active market and are classified within Level 1 of the valuation hierarchy.

Municipal bonds: These investments represent obligations of any state or political subdivision in the U.S. The fair values used are obtained from an independent pricing service using a matrix pricing model and are classified within Level 2 of the valuation hierarchy.

U.S. government and agency securities: These investments represent obligations of the U.S. government and its agencies, including mortgage-backed securities. The fair values are obtained from an independent pricing service using a matrix pricing model and are classified within Level 2 of the valuation hierarchy.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

Investments measured at fair value on a recurring basis, comprise the following at December 31:

	Fair Value Measurements at Reporting Date Using			Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
2012				
Money market funds	\$ 399,669	—	—	\$ 399,669
Common stock	—	—	—	—
Stock mutual funds:				
Large cap	4,149,402	—	—	4,149,402
Mid cap	1,321,082	—	—	1,321,082
Small cap	492,941	—	—	492,941
International funds	1,381,314	—	—	1,381,314
Alternative funds	200,417	—	—	200,417
Bond mutual funds	599,027	—	—	599,027
Corporate bonds	362,874	—	—	362,874
Municipal bonds	—	931,863	—	931,863
U.S. government and agency securities	—	157,532	—	157,532
Total	\$ 8,906,726	\$ 1,089,395	\$ —	\$ 9,996,121
2011				
Money market funds	\$ 493,740	—	—	\$ 493,740
Common stock	299,835	—	—	299,835
Stock mutual funds:				
Large cap	3,775,508	—	—	3,775,508
Mid cap	1,184,857	—	—	1,184,857
Small cap	422,829	—	—	422,829
International funds	728,286	—	—	728,286
Alternative funds	1,450,416	—	—	1,450,416
Bond mutual funds	700,012	—	—	700,012
Corporate bonds	470,718	—	—	470,718
Municipal bonds	—	827,950	—	827,950
U.S. government and agency securities	—	38,315	—	38,315
Total	\$ 9,526,201	\$ 866,265	\$ —	\$ 10,392,466

Note 5. Accumulated Plan Benefits

In 2012 and 2011, an actuary from Cowden Associates, Inc. determined the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

The accumulated plan benefit information as of the beginning of each plan year was as follows:

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 1,328,175	\$ 1,272,697
Other participants	9,346,758	9,005,884
Total vested benefits	10,674,933	10,278,581
Nonvested benefits	139,124	198,910
Total actuarial present value of accumulated plan benefits	\$ 10,814,057	\$ 10,477,491

Changes in the actuarial present value of accumulated plan benefits were as follows:

	<u>2012</u>	<u>2011</u>
Balance, beginning of period	\$ 10,477,491	\$ 9,322,216
Increase during the year attributable to benefits accumulated	720,881	830,564
Increase for interest due to the decrease in the discount period	834,044	756,312
Change in actuarial assumptions	676,549	417,253
Benefits paid	(1,894,908)	(848,854)
Net increase	336,566	1,155,275
Balance, end of period	\$ 10,814,057	\$ 10,477,491

Significant assumptions underlying the actuarial computations are:

- Assumed rate of return on investments: 7.50% in 2012 and 8.50% in 2011.
- Mortality basis: RP-2000 mortality table (2012 and 2011).
- Retirement: At normal retirement age (65).

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Note 6. Contract with Insurance Company

In December 2012 and 2011, the Plan entered into a contract with Mutual of Omaha United of Omaha Life Insurance Company (United) under which the Plan made single premium payments of \$663,811 and \$666,827, respectively. These premium payments were made to purchase annuity contracts for sixty-three terminated plan participants in 2012 and twenty-four plan participants in 2011. Purchased annuities are contracts under which United is obligated to pay benefits to named employees or their beneficiaries. These contracts will remain in effect until all benefits due under the annuity certificates issued by United pursuant to these contracts have been fully paid. The payments of these premiums are included in the benefits paid to participants on the Statement of Changes in Net Assets Available for Benefits.

Peoples Bancorp Inc. Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

Note 7. Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association, or relatives of such persons.

Certain Plan investments are shares of a money market fund managed by Peoples' subsidiary bank – Peoples Bank, National Association.

The Plan incurs expenses related to general administration and investment costs. The Plan Sponsor pays certain of these expenses relating to the Plan.

Note 8. Current Economic Conditions

The current protracted economic decline continues to present employee benefit plans with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments. The financial statements have been prepared using values and information currently available to the Plan.

Given the volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

Note 9. Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Supplemental Schedules

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

Identity of Issuer	Description of Investment	Cost	Current Value
Stock mutual funds			
Ishares S&P 100 Index Fund	OEI 10,785 Shares held	\$ 623,252	\$ 697,682
T Rowe Price Capital Appreciation Fund #72	PRWCX 22,084 Shares held	424,121	491,364
Vanguard 500 Index Signal Fund #1340	VIFSX 12,682 Shares held	1,322,000	1,376,288
Fidelity Advisor New Insights Class I Fund #1281	FINSX 11,625 Shares held	256,537	267,601
MFS Growth Port Institutional Class #807	MFEIX 5,760 Shares held	291,000	292,658
Powershares QQQ	QQQ 4,000 Shares held	239,208	260,520
Ishares S&P 500 Barra Value	IVE 3,800 Shares held	238,216	252,282
Nuveen Dividend Value Fund #756	FAQIX 19,575 Shares held	272,666	284,033
T Rowe Price Equity Income Fund #71	PRFDX 8,581 Shares held	187,957	226,974
Ishares Core S&P Midcap ETF	IJH 7,963 Shares held	593,632	809,837
Columbia Acorn Class Z Fund #492	ACRNX 8,699 Shares held	270,043	264,897
Ishares S&P 400 MidCap Growth	IJK 1,248 Shares held	111,656	142,784
Ishares S&P 400 MidCap Value	IJJ 1,175 Shares held	98,723	103,564
Fidelity Small Cap Discovery Fund #384	FSCRX 2,329 Shares held	50,583	56,061
Ishares Russell 2000	IWM 2,395 Shares held	191,828	201,941
Ishares Russell 2000 Growth	IWO 2,465 Shares held	234,509	234,939
Ishares MSCI EAFE Index Foreign	EFA 12,150 Shares held	650,115	690,849
MFS International Value Fund	MINIX 17,113 Shares held	451,000	482,064
Vanguard Emerging Markets ETF	VWO 4,680 Shares held	189,455	208,400
T Rowe Price Health Sciences Fund #114	PRHSX 9 Shares held	328	386
Vanguard REIT ETF	VNQ 3,040 Shares held	195,518	200,032
		\$ 6,892,347	\$ 7,545,156

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

(continued)

Identity of Issuer	Description of Investment	Cost	Current Value
<u>Money market funds</u>			
* Peoples Bank, National Association	399,669 Shares held	\$ 399,669	\$ 399,669
		399,669	399,669
<u>Bond mutual funds</u>			
Fidelity Adv. Strategic Income Class I Fund #648	9,296 Shares held	108,432	119,364
IShares Barclays TIPS	1,000 Shares held	107,291	121,410
Metropolitan West Total Return Bond Fund #0312	5,652 Shares held	61,217	61,604
PIMCO Investment Grade Corporate Bond #56	12,955 Shares held	139,339	144,059
Vanguard Total Bond Market Index Signal Fund #1351	2,692 Shares held	30,150	29,855
Vanguard Admiral GNMA Fund #536	11,250 Shares held	124,584	122,735
		571,013	599,027
<u>Corporate bonds</u>			
	Interest Rate	Maturity Date	Par Amount
John Deere Capital Corp	1.650%	10/15/2014	\$ 200,000
Berkshire Hathaway Fin Corp	4.850%	01/15/2015	\$ 150,000
			353,327
			362,874
<u>Municipal bonds</u>			
	Interest Rate	Maturity Date	Par Amount
Kankakee IN	3.070%	07/15/2013	\$ 140,000
De Witt Ford Cntys IL Cmnty College Dist #540	2.375%	12/01/2013	\$ 125,000
Rapid City SD	2.250%	01/01/2014	\$ 200,000
New York NY	3.100%	03/01/2015	\$ 100,000
District of Columbia	3.642%	06/01/2015	\$ 120,000
Ashwaubenon WI	2.270%	06/01/2016	\$ 115,000
Stratford Conn Pension Obligation GO	3.092%	08/01/2017	\$ 100,000
			911,680
			931,863
<u>U.S. government and agency securities</u>			
	Interest Rate	Maturity Date	Units
FNMA Pool #AJ7717	3.000%	12/01/2026	124,322
FNMA Pool #257204	5.500%	05/01/2028	24,098
			154,290
			157,532
TOTAL		\$ 9,282,326	\$ 9,996,121

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2012

Identity/Description	Purchase Price	Selling Price	Expenses incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Individual transactions that exceed 5%:						
Peoples Bank Money Market Fund	-	\$ 633,880	-	\$ 633,880	\$ 633,880	-
Guggenheim S&P 500 Pure Growth	-	572,344	132	545,919	572,344	26,293
Series of transactions that exceed 5%:						
SPDR Dow Jones Industrial Average ETF Trust Series 1	-	795,071	93	737,968	795,071	57,010

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

Identity of Issuer	Description of Investment	Cost	Current Value
<u>Stock mutual funds</u>			
Ishares S&P 100 Index Fund	OEI 10,785 Shares held	\$ 623,252	\$ 697,682
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Vanguard REIT ETF	VNQ 3,040 Shares held	195,518	200,032
		\$ 6,892,347	\$ 7,545,156

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

(continued)

Identity of Issuer	Description of Investment	Cost	Current Value
<u>Money market funds</u>			
* Peoples Bank, National Association	399,669 Shares held	\$ 399,669	\$ 399,669
		399,669	399,669
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Vanguard Total Bond Market Index Signal Fund #1351	2,692 Shares held	30,150	29,855
Vanguard Admiral GNMA Fund #536	11,250 Shares held	124,584	122,735
		571,013	599,027
<u>Corporate bonds</u>			
	Interest Rate	Maturity Date	Par Amount
John Deere Capital Corp	1.650%	10/15/2014	\$ 200,000
Berkshire Hathaway Fin Corp	4.850%	01/15/2015	\$ 150,000
			353,327
			362,874
<u>Municipal bonds</u>			
	Interest Rate	Maturity Date	Par Amount
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Rapid City SD	2.250%	01/01/2014	\$ 200,000
New York NY	3.100%	03/01/2015	\$ 100,000
District of Columbia	3.642%	06/01/2015	\$ 120,000
Ashwaubenon WI	2.270%	06/01/2016	\$ 115,000
Stratford Conn Pension Obligation GO	3.092%	08/01/2017	\$ 100,000
			911,680
			931,863
<u>U.S. government and agency securities</u>			
	Interest Rate	Maturity Date	Units
FNMA Pool #AJ7717	3.000%	12/01/2026	124,322
FNMA Pool #257204	5.500%	05/01/2028	24,098
			154,290
			157,532
TOTAL		\$ 9,282,326	\$ 9,996,121

Peoples Bancorp Inc. Retirement Plan

EIN 31-0987416 PN 001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2012

Identity/Description	Purchase Price	Selling Price	Expenses incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Individual transactions that exceed 5%:						
Peoples Bank Money Market Fund	-	\$ 633,880	-	\$ 633,880	\$ 633,880	-
Guggenheim S&P 500 Pure Growth	-	572,344	132	545,919	572,344	26,293
Series of transactions that exceed 5%:						
SPDR Dow Jones Industrial Average ETF Trust Series 1	-	795,071	93	737,968	795,071	57,010

Peoples Bancorp Inc. Retirement Plan and Trust

Plan Sponsor: Peoples Bancorp Inc.

EIN/PN: 31-0987416 / 001

Attachment to 2012 Form 5500 Schedule SB

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

	(1)	(2)	(3)	(4)	(5)	(6)
	Retirement Assumption		Cumulative		Retirement Age	
Age	qx	px	px	=(1)*(3)		=(4)*(5)
55	0.07	0.930000	1.000000000	0.070000	55.0	3.850
56	0.07	0.930000	0.930000000	0.065100	56.0	3.646
57	0.07	0.930000	0.864900000	0.060543	57.0	3.451
58	0.07	0.930000	0.804357000	0.056305	58.0	3.266
59	0.07	0.930000	0.748052010	0.052364	59.0	3.089
60	0.10	0.900000	0.695688369	0.069569	60.0	4.174
61	0.10	0.900000	0.626119532	0.062612	61.0	3.819
62	0.25	0.750000	0.563507579	0.140877	62.0	8.734
63	0.10	0.900000	0.422630684	0.042263	63.0	2.663
64	0.10	0.900000	0.380367616	0.038037	64.0	2.434
65	0.75	0.250000	0.342330854	0.256748	65.0	16.689
66	0.50	0.500000	0.085582714	0.042791	66.0	2.824
67	1.00	0.000000	0.042791357	0.042791	67.0	2.867
Totals				1.0000		61.506

Total of Column (6) / Total of Column (4), Rounded to nearest age:

62

Peoples Bancorp Inc. Retirement Plan and Trust
Plan Sponsor: Peoples Bancorp Inc.
EIN/PN: 31-0987416 / 001
Attachment to 2012 Form 5500 Schedule SB

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

As of January 1, 2012

Mortality

- For minimum and maximum funding: IRS 2012 Static Mortality Table, sex-distinct, separate tables for annuitants and non-annuitants, prescribed table updated annually for mortality improvements using Scale AA. Under IRS rules the static table projects mortality improvements under Scale AA for 7 years beyond the valuation date for annuitants and 15 years for non-annuitants.

Interest Rates

	<u>Current Year</u>		<u>Prior Year</u>
• IRS-prescribed Rates for Funding Target Liability:			
	<u>Minimum*</u>	<u>Maximum</u>	
First Segment Rate	5.54%	2.06%	3.78%
Second Segment Rate	6.85%	5.25%	6.31%
Third Segment Rate	7.52%	6.32%	6.57%
Lookback Month	September	September	September
• Effective Interest Rate	7.15%	5.75%	6.14%

**MAP-21 rates (not applicable for Maximum Funding calculations)*

Termination

- Termination of employment prior to retirement is assumed to occur in accordance with the following table of sample rates:

	<u>Termination Rates, based on Years of Service</u>			
Age	<1	2	4	5+
25	.3500	.2400	.2000	.1674
30	.3100	.2000	.1600	.1266
35	.2800	.1700	.1300	.0888
40	.2500	.1500	.1100	.0618
45	.2200	.1300	.0900	.0402
50	.1900	.1100	.0700	.0300
55	.1600	.0900	.0600	.0204
60	.1300	.0700	.0500	.0120
65	.0000	.0000	.0000	.0000

Peoples Bancorp Inc. Retirement Plan and Trust
Plan Sponsor: Peoples Bancorp Inc.
EIN/PN: 31-0987416 / 001
Attachment to 2012 Form 5500 Schedule SB

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Disability

- Incidence of disability is included with the termination rates. Disability benefits under the plan are similar to the benefits available upon vested termination, without a specific early commencement subsidy related to the disability.

Retirement

- Assumed rates of retirement are shown below. The weighted average retirement age is 62.

Age	Rates
55-59	.0700
60-61	.1000
62	.2500
63-64	.1000
65	.7500
66	.5000
67	1.0000

Form of Benefit Payment

- 10% of participants are assumed to elect the basic form of payment, which is a straight life annuity, at the time of benefit commencement. 90% of participants are assumed to elect a lump sum at the time of benefit commencement.

Actuarial Equivalence Assumptions for Projected Lump Sums

- For funding: Applicable mortality table prescribed by IRS for 2012 plan year lump sum distributions and 2.06%/5.25%/6.32% segment rates used for 2012 plan year funding, as specified in IRS Regulation 1.430(d)-1(f)(4)(iii)(B).

Salary Increases

- As a result of the plan freeze effective March 1, 2011, no assumption is needed for future salary increases. Historical salaries have been revised due to corrections in certain pay fields such as Group Term Life (GTL).
- As required by Section 404(l) of the Internal Revenue Code, compensation used to determine retirement benefits for each participant has been limited to applicable compensation levels for years prior to 2012. As a result of the plan freeze effective March 1, 2011, no future compensations nor corresponding limits will be taken into account in determining retirement benefits.

Peoples Bancorp Inc. Retirement Plan and Trust
Plan Sponsor: Peoples Bancorp Inc.
EIN/PN: 31-0987416 / 001
Attachment to 2012 Form 5500 Schedule SB

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Interest Credit for Cash Balance Accounts

- The future annual interest crediting rate is assumed to be 3.25%.

Beneficiary for Pre-Retirement Death Benefits

- The beneficiary is assumed to be the same age as the participant, and of opposite gender.

Expenses

- For minimum and maximum funding: Anticipated administrative expense to be paid from the plan trust during the plan year is added to the target normal cost. For 2012, the amount is \$39,026, which is the expected PBGC premium payable.

Data

- The data was tested for reasonableness and consistency with the prior valuation.
- Historical compensation has been revised due to corrections in certain pay fields such as Group Term Life (GTL). These corrections are reflected in Active liabilities.

Actuarial Cost Method

- The Unit Credit method is used for funding.
- Under the Unit Credit method, the projected benefits of each individual included in the actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefits allocated to a valuation year is the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called actuarial accrued liability. Under this method, the Actuarial Gains (losses), as they occur, generally reduce (increase) the unfunded Actuarial Accrued Liability.

Asset Valuation Method

- For funding: Actuarial Value, as determined by IRS Notice 2009-22, and smoothed over a 24 month period.

Significant Benefits Not Recognized

- None

Peoples Bancorp Inc. Retirement Plan and Trust
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Attachment to 2012 Form 5500 Schedule SB

Schedule SB, Part V – Summary of Plan Provisions

The following is a summary of the major provisions of the plan as of January 1, 2012. Please refer to the plan document for a more complete description of the most recent plan provisions.

General Information

- Original Effective Date: January 1, 1982
- Effective Date of Last Amendment: March 1, 2011
- Plan Year: January 1 to December 31
- Employer Fiscal Year: January 1 to December 31
- Employer/Plan Administrator's ID Number: 31-0987416
- Plan Number: 001
- Plan Administrator: Peoples Bancorp Inc.

Eligibility

- All employees of the Employer hired on or before December 31, 2009 were eligible to participate in the Plan on the January 1 coincident with or next following the attainment of age 20-1/2 or the completion of six months of Service, whichever is later.
- Former employees who are rehired after December 31, 2009 are not permitted to become active participants.

Plan Freeze

- Benefit accruals under the plan were frozen effective March 1, 2011, by way of a plan amendment adopted on January 27, 2011. The plan administrator made an election to deem this amendment as having been adopted on the first day of the 2011 plan year for the purpose of calculating the 2011 Target Normal Cost and Funding Target Liability.
- For purposes of Employer accounting, the freeze was reflected as a curtailment on December 31, 2010.

Service

- Service shall equal total years of service with the Employer. A year of service is credited for each year in which an employee works 1,000 hours. Years of service for the purpose of benefit calculation are frozen as of March 1, 2011. Participants will continue to earn years of service after March 1, 2011 for purposes of vesting and early retirement eligibility.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

- A break in service occurs at the start of any plan year in which the employee works 500 hours or less for the Employer in such year. Service will not be interrupted by:
 - (a) A leave of absence granted by the Employer,
 - (b) A period of service in the Armed Forces of the United States under which employment rights are granted,
 - (c) A period of disability during which the participant is being paid directly or indirectly by the Employer nor
 - (d) Transfer of employment from one participating Employer to another.
- An employee will be given credit for his pre-break Service if either of the following occurs:
 - (a) The employee had a vested interest in his Accrued Benefit at the time of his break in service or
 - (b) The employee's period of absence was less than the greater of five years and his past Service.

Normal Retirement Benefits

- The Normal Retirement Date is the first day of the month coincident with or next following the later of (i) age 65 and (ii) the first day of the plan year that includes the fifth anniversary of plan participation.
- Employees hired before January 1, 2003 and employees who joined the plan on May 9, 2003 as part of the Kentucky Bancshares acquisition are subject to the following provisions for benefit accrual:
 - The annual normal retirement benefit is equal to the sum of (a) and (b):
 - (a) 40% of average monthly compensation, plus
 - (b) 17% of average monthly compensation in excess of covered compensation as defined below.
 - This sum is reduced by one-thirtieth (1/30) for each year of service less than 30 at Normal Retirement Date.
 - Average monthly compensation is the average of the highest five consecutive plan years of monthly compensation within the last ten completed years of service preceding the termination of employment.
 - Covered compensation is the average of the Social Security Wage Bases for the 35-year period ending with the participant's Social Security Retirement Age

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

- The Accrued Benefit, at any time prior to a participant's Normal Retirement Date, is the benefit calculated as described above based on the total years of service a participant would have had at his Normal Retirement Date (limited to 30 years) and multiplied by the ratio of years of service on the calculation date to years of service (without limit) on the Normal Retirement Date.
- Average monthly compensation, covered compensation and years of service for benefit accrual purposes are frozen as of March 1, 2011.
- Employees hired on or after January 1, 2003 (except for those entering the plan on May 9, 2003 as part of the Kentucky Bancshares acquisition) are subject to the cash balance provisions of the Plan.
 - An annual accrual of 2% of compensation is credited to the participant's cash balance account, provided the participant earned a Year of Service in the year.
 - An interest credit is added to the cash balance account annually based on the one-year constant maturity rate for the December preceding the plan year plus 50 basis points.
 - The Accrued Benefit is the cash account balance converted to an actuarially equivalent straight life annuity, with payments beginning on the Normal Retirement Date.
 - No compensation-related credits will be added to the cash balance account after March 1, 2011. The cash balance account will continue to receive interest credits until termination of employment.
 - Upon termination of employment, the cash account balance is converted to an actuarially equivalent straight life annuity with payments beginning on the Normal Retirement Date. All optional forms of payment, including optional lump sums, are based on this annuity amount.

Delayed Retirement

- A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the greater of (1) the actuarial equivalent of the benefit that would have been payable as of his Normal Retirement Date and (2) his Accrued Benefit at actual retirement date based on service, compensation and (if applicable for cash balance) interest credits as of that date.

Early Retirement

- Upon completion of ten years of service and the attainment of age 50, a participant may elect to retire. The participant may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the Accrued Benefit as of his early retirement date. Alternatively, payments may begin immediately with the benefit being reduced one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next ten years by which the payment date precedes the Normal Retirement Date.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

Disability Retirement Benefits

- A participant who becomes totally and permanently disabled before his Normal Retirement Date may retire and receive a Disability Retirement Benefit calculated as his Accrued Benefit on the date of disability reduced for each year the payment date precedes the Normal Retirement Date. The benefit may be deferred to normal retirement age in order not to duplicate benefits provided by a long-term disability benefit program.

Death Benefit

- If a vested active participant or terminated vested participant dies prior to the commencement of benefit payments, a survivor annuity is payable to the participant's designated beneficiary.
 - For a vested participant who dies prior to becoming eligible for early retirement, the survivor's benefit is calculated assuming that the participant had lived to his earliest retirement date, elected a joint and one-half survivor benefit and died the next day. Payment to the survivor is deferred until the participant's earliest retirement date.
 - For a participant who dies after having become eligible for early retirement, the survivor's benefit is calculated assuming that the participant had elected a joint and one-half survivor benefit on the day prior to death. Payment to the survivor begins immediately.
 - All of the plan's optional forms of payment are available to the surviving beneficiary.

Severance Benefits

- Upon the termination of employment after three or more years of service, a participant shall have a vested interest in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

<u>Years of Service</u>	<u>Vested Percent</u>
Less than 3	0%
3 or more	100%

Optional Forms of Payment

- The plan's basic form of payment is a straight life annuity, with payments ceasing upon the participant's death. Optional forms of payment are actuarially equivalent to the basic form of annuity.
- If a married participant does not make a payment election or does not provide spousal consent for a payment election, then the participant's retirement benefit will automatically be paid under option (a) below with the spouse as the beneficiary.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

- The options are:
 - (a) A reduced benefit to be paid during the participant's lifetime with 50% of the reduced benefit to be continued to the beneficiary for life after the participant's death.
 - (b) A reduced benefit to be paid during the participant's lifetime with 75% of the reduced benefit to be continued to the beneficiary for life after the participant's death.
 - (c) A reduced benefit to be paid during the participant's lifetime with 100% of the reduced benefit to be continued to the beneficiary for life after the participant's death.
 - (d) A reduced benefit to be paid for 60 months certain and thereafter for life.
 - (e) A reduced benefit to be paid for 120 months certain and thereafter for life.
 - (f) A lump sum benefit.
- The beneficiary for options (a), (b) or (c) is designated at retirement.
- The optional forms of payment are calculated using the following actuarial equivalence assumptions:
 - For other than lump sum benefits, the UP-84 Mortality Table, with a three-year setback for beneficiaries and survivors, and the PBGC immediate interest rate used to value lump sums for distress plan terminations as of January 1 of the year containing the date of distribution. For 2012 the interest rate is 1.25%.
 - For lump sum benefits, the "applicable mortality table" for the year of distribution prescribed by the IRS for lump sum payments, and segment interest rates as of the November preceding the first day of the Plan Year containing the date of distribution. For 2012 distributions the segment interest rates are 1.99%, 4.47% and 5.26%.

Amendment or Termination of Plan

- The Employer reserves the right to amend or terminate the Plan at any time.
- If the Employer initiates a standard plan termination then plan assets must be sufficient to provide for all accrued benefits.
- The Pension Benefit Guaranty Corporation (PBGC) reserves the right to initiate a distress plan termination if an Employer fails to meet the minimum funding standards or is unable to pay benefits when due. In a distress plan termination, certain benefits are guaranteed to participants without regard to the plan's funded status. Non-guaranteed benefits for participants are determined based upon a priority allocation procedure. The Employer will be liable for any unfunded vested benefits to the extent required by law.

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Schedule SB, Line 26 – Schedule of Active Participant Data

Years of Credited Service as of 01/01/2012

Attained Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
<25	0	7	0	0	0	0	0	0	0	0	7
25-29	0	30	26	1	0	0	0	0	0	0	57
30-34	0	14	26	15	0	0	0	0	0	0	55
35-39	0	10	23	6	8	1	0	0	0	0	48
40-44	0	9	14	15	2	7	1	0	0	0	48
45-49	0	7	20	19	4	6	5	2	0	0	63
50-54	0	6	27	9	2	4	3	5	2	0	58
55-59	0	7	9	13	3	2	3	2	2	0	41
60-64	1	1	15	7	5	2	3	1	1	1	37
65-69	1	0	2	0	0	0	0	0	1	0	4
70+	3	2	1	3	0	0	0	0	0	0	9
Total	5	93	163	88	24	22	15	10	6	1	427

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Schedule SB, Line 8 – Late Election to Apply Balances to Quarterly Installment

An election was made on May 19, 2011 to apply \$91,813 of the Prefunding Balance as of January 1, 2011 to offset the amount of a required quarterly installment. This election was made after the April 15, 2011 due date of the installment.

An election was made on May 19, 2011 to apply \$325,934 of the Prefunding Balance as of January 1, 2011 to offset the Plan's remaining minimum required contribution under IRC Section 430 as of January 1, 2011 for the Plan Year January 1, 2011 to December 31, 2011. This amount includes a late interest charge at the effective rate plus 5% for the period from April 15, 2011 to May 19, 2011 for the quarterly contribution that was due on April 15, 2011.

These elections apply a total of \$417,747 of the Prefunding Balance as of January 1, 2011 to meet minimum required contributions in 2011.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012**This Form is Open to Public
Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Peoples Bancorp Inc. Retirement Plan and Trust	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Peoples Bancorp Inc.	D Employer Identification Number (EIN) 31-0987416
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>		
2 Assets:		
a Market value	2a	10,409,333
b Actuarial value	2b	10,838,928
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 36	1,388,602
b For terminated vested participants	3b 103	979,148
c For active participants:		
(1) Non-vested benefits	3c(1)	186,913
(2) Vested benefits	3c(2)	7,989,092
(3) Total active	3c(3) 427	8,176,005
d Total	3d 566	10,543,755
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	7.15 %
6 Target normal cost	6	39,026

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Robert W. Hazy <i>RWH</i> Signature of actuary	October 7, 2013 Date
	Robert W. Hazy Type or print name of actuary	11-04204 Most recent enrollment number
	Cowden Associates, Inc. Firm name	(412) 394-9990 Telephone number (including area code)
	Four Gateway Center, Suite 605 Pittsburgh PA 15222-1222 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II		Beginning of Year Carryover Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	1,531,865
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	417,747
9	Amount remaining (line 7 minus line 8)	0	1,114,118
10	Interest on line 9 using prior year's actual return of <u>(2.07)</u> %		(23,062)
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of <u>6.14</u> % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1,091,056

Part III		Funding Percentages	
		14	92.45 %
14	Funding target attainment percentage		
15	Adjusted funding target attainment percentage	15	102.63 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.57 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c)
				0	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	39,026	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	795,883	180,321	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	219,347	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	219,347	219,347
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Peoples Bancorp Inc. Retirement Plan and Trust
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Schedule SB, Line 8 – Late Election to Apply Balances to Quarterly Installment

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Peoples Bancorp Inc. Retirement Plan and Trust

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Schedule SB, Line 22 - Description of Weighted Average Retirement Age

	(1)	(2)	(3)	(4)	(5)	(6)
	Retirement Assumption		Cumulative		Retirement Age	
Age	qx	px	px	=(1)*(3)		=(4)*(5)
55	0.07	0.930000	1.000000000	0.070000	55.0	3.850
56	0.07	0.930000	0.930000000	0.065100	56.0	3.646
57	0.07	0.930000	0.864900000	0.060543	57.0	3.451
58	0.07	0.930000	0.804357000	0.056305	58.0	3.266
59	0.07	0.930000	0.748052010	0.052364	59.0	3.089
60	0.10	0.900000	0.695688369	0.069569	60.0	4.174
61	0.10	0.900000	0.626119532	0.062612	61.0	3.819
62	0.25	0.750000	0.563507579	0.140877	62.0	8.734
63	0.10	0.900000	0.422630684	0.042263	63.0	2.663
64	0.10	0.900000	0.380367616	0.038037	64.0	2.434
65	0.75	0.250000	0.342330854	0.256748	65.0	16.689
66	0.50	0.500000	0.085582714	0.042791	66.0	2.824
67	1.00	0.000000	0.042791357	0.042791	67.0	2.867
Totals				1.0000		61.506

Total of Column (6) / Total of Column (4), Rounded to nearest age:

62

Peoples Bancorp Inc. Retirement Plan and Trust
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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

As of January 1, 2012

Mortality

- For minimum and maximum funding: IRS 2012 Static Mortality Table, sex-distinct, separate tables for annuitants and non-annuitants, prescribed table updated annually for mortality improvements using Scale AA. Under IRS rules the static table projects mortality improvements under Scale AA for 7 years beyond the valuation date for annuitants and 15 years for non-annuitants.

Interest Rates

	<u>Current Year</u>		<u>Prior Year</u>
• IRS-prescribed Rates for Funding Target Liability:			
	<u>Minimum*</u>	<u>Maximum</u>	
First Segment Rate	5.54%	2.06%	3.78%
Second Segment Rate	6.85%	5.25%	6.31%
Third Segment Rate	7.52%	6.32%	6.57%
Lookback Month	September	September	September
• Effective Interest Rate	7.15%	5.75%	6.14%

**MAP-21 rates (not applicable for Maximum Funding calculations)*

Termination

- Termination of employment prior to retirement is assumed to occur in accordance with the following table of sample rates:

	<u>Termination Rates, based on Years of Service</u>			
Age	<1	2	4	5+
25	.3500	.2400	.2000	.1674
30	.3100	.2000	.1600	.1266
35	.2800	.1700	.1300	.0888
40	.2500	.1500	.1100	.0618
45	.2200	.1300	.0900	.0402
50	.1900	.1100	.0700	.0300
55	.1600	.0900	.0600	.0204
60	.1300	.0700	.0500	.0120
65	.0000	.0000	.0000	.0000

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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Disability

- Incidence of disability is included with the termination rates. Disability benefits under the plan are similar to the benefits available upon vested termination, without a specific early commencement subsidy related to the disability.

Retirement

- Assumed rates of retirement are shown below. The weighted average retirement age is 62.

Age	Rates
55-59	.0700
60-61	.1000
62	.2500
63-64	.1000
65	.7500
66	.5000
67	1.0000

Form of Benefit Payment

- 10% of participants are assumed to elect the basic form of payment, which is a straight life annuity, at the time of benefit commencement. 90% of participants are assumed to elect a lump sum at the time of benefit commencement.

Actuarial Equivalence Assumptions for Projected Lump Sums

- For funding: Applicable mortality table prescribed by IRS for 2012 plan year lump sum distributions and 2.06%/5.25%/6.32% segment rates used for 2012 plan year funding, as specified in IRS Regulation 1.430(d)-1(f)(4)(iii)(B).

Salary Increases

- As a result of the plan freeze effective March 1, 2011, no assumption is needed for future salary increases. Historical salaries have been revised due to corrections in certain pay fields such as Group Term Life (GTL).
- As required by Section 404(l) of the Internal Revenue Code, compensation used to determine retirement benefits for each participant has been limited to applicable compensation levels for years prior to 2012. As a result of the plan freeze effective March 1, 2011, no future compensations nor corresponding limits will be taken into account in determining retirement benefits.

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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Interest Credit for Cash Balance Accounts

- The future annual interest crediting rate is assumed to be 3.25%.

Beneficiary for Pre-Retirement Death Benefits

- The beneficiary is assumed to be the same age as the participant, and of opposite gender.

Expenses

- For minimum and maximum funding: Anticipated administrative expense to be paid from the plan trust during the plan year is added to the target normal cost. For 2012, the amount is \$39,026, which is the expected PBGC premium payable.

Data

- The data was tested for reasonableness and consistency with the prior valuation.
- Historical compensation has been revised due to corrections in certain pay fields such as Group Term Life (GTL). These corrections are reflected in Active liabilities.

Actuarial Cost Method

- The Unit Credit method is used for funding.
- Under the Unit Credit method, the projected benefits of each individual included in the actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefits allocated to a valuation year is the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called actuarial accrued liability. Under this method, the Actuarial Gains (losses), as they occur, generally reduce (increase) the unfunded Actuarial Accrued Liability.

Asset Valuation Method

- For funding: Actuarial Value, as determined by IRS Notice 2009-22, and smoothed over a 24 month period.

Significant Benefits Not Recognized

- None

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Schedule SB, Part V – Summary of Plan Provisions

The following is a summary of the major provisions of the plan as of January 1, 2012. Please refer to the plan document for a more complete description of the most recent plan provisions.

General Information

- Original Effective Date: January 1, 1982
- Effective Date of Last Amendment: March 1, 2011
- Plan Year: January 1 to December 31
- Employer Fiscal Year: January 1 to December 31
- Employer/Plan Administrator's ID Number: 31-0987416
- Plan Number: 001
- Plan Administrator: Peoples Bancorp Inc.

Eligibility

- All employees of the Employer hired on or before December 31, 2009 were eligible to participate in the Plan on the January 1 coincident with or next following the attainment of age 20-1/2 or the completion of six months of Service, whichever is later.
- Former employees who are rehired after December 31, 2009 are not permitted to become active participants.

Plan Freeze

- Benefit accruals under the plan were frozen effective March 1, 2011, by way of a plan amendment adopted on January 27, 2011. The plan administrator made an election to deem this amendment as having been adopted on the first day of the 2011 plan year for the purpose of calculating the 2011 Target Normal Cost and Funding Target Liability.
- For purposes of Employer accounting, the freeze was reflected as a curtailment on December 31, 2010.

Service

- Service shall equal total years of service with the Employer. A year of service is credited for each year in which an employee works 1,000 hours. Years of service for the purpose of benefit calculation are frozen as of March 1, 2011. Participants will continue to earn years of service after March 1, 2011 for purposes of vesting and early retirement eligibility.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

- A break in service occurs at the start of any plan year in which the employee works 500 hours or less for the Employer in such year. Service will not be interrupted by:
 - (a) A leave of absence granted by the Employer,
 - (b) A period of service in the Armed Forces of the United States under which employment rights are granted,
 - (c) A period of disability during which the participant is being paid directly or indirectly by the Employer nor
 - (d) Transfer of employment from one participating Employer to another.
- An employee will be given credit for his pre-break Service if either of the following occurs:
 - (a) The employee had a vested interest in his Accrued Benefit at the time of his break in service or
 - (b) The employee's period of absence was less than the greater of five years and his past Service.

Normal Retirement Benefits

- The Normal Retirement Date is the first day of the month coincident with or next following the later of (i) age 65 and (ii) the first day of the plan year that includes the fifth anniversary of plan participation.
- Employees hired before January 1, 2003 and employees who joined the plan on May 9, 2003 as part of the Kentucky Bancshares acquisition are subject to the following provisions for benefit accrual:
 - The annual normal retirement benefit is equal to the sum of (a) and (b):
 - (a) 40% of average monthly compensation, plus
 - (b) 17% of average monthly compensation in excess of covered compensation as defined below.
 - This sum is reduced by one-thirtieth (1/30) for each year of service less than 30 at Normal Retirement Date.
 - Average monthly compensation is the average of the highest five consecutive plan years of monthly compensation within the last ten completed years of service preceding the termination of employment.
 - Covered compensation is the average of the Social Security Wage Bases for the 35-year period ending with the participant's Social Security Retirement Age

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

- The Accrued Benefit, at any time prior to a participant's Normal Retirement Date, is the benefit calculated as described above based on the total years of service a participant would have had at his Normal Retirement Date (limited to 30 years) and multiplied by the ratio of years of service on the calculation date to years of service (without limit) on the Normal Retirement Date.
- Average monthly compensation, covered compensation and years of service for benefit accrual purposes are frozen as of March 1, 2011.
- Employees hired on or after January 1, 2003 (except for those entering the plan on May 9, 2003 as part of the Kentucky Bancshares acquisition) are subject to the cash balance provisions of the Plan.
 - An annual accrual of 2% of compensation is credited to the participant's cash balance account, provided the participant earned a Year of Service in the year.
 - An interest credit is added to the cash balance account annually based on the one-year constant maturity rate for the December preceding the plan year plus 50 basis points.
 - The Accrued Benefit is the cash account balance converted to an actuarially equivalent straight life annuity, with payments beginning on the Normal Retirement Date.
 - No compensation-related credits will be added to the cash balance account after March 1, 2011. The cash balance account will continue to receive interest credits until termination of employment.
 - Upon termination of employment, the cash account balance is converted to an actuarially equivalent straight life annuity with payments beginning on the Normal Retirement Date. All optional forms of payment, including optional lump sums, are based on this annuity amount.

Delayed Retirement

- A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the greater of (1) the actuarial equivalent of the benefit that would have been payable as of his Normal Retirement Date and (2) his Accrued Benefit at actual retirement date based on service, compensation and (if applicable for cash balance) interest credits as of that date.

Early Retirement

- Upon completion of ten years of service and the attainment of age 50, a participant may elect to retire. The participant may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the Accrued Benefit as of his early retirement date. Alternatively, payments may begin immediately with the benefit being reduced one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next ten years by which the payment date precedes the Normal Retirement Date.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

Disability Retirement Benefits

- A participant who becomes totally and permanently disabled before his Normal Retirement Date may retire and receive a Disability Retirement Benefit calculated as his Accrued Benefit on the date of disability reduced for each year the payment date precedes the Normal Retirement Date. The benefit may be deferred to normal retirement age in order not to duplicate benefits provided by a long-term disability benefit program.

Death Benefit

- If a vested active participant or terminated vested participant dies prior to the commencement of benefit payments, a survivor annuity is payable to the participant's designated beneficiary.
 - For a vested participant who dies prior to becoming eligible for early retirement, the survivor's benefit is calculated assuming that the participant had lived to his earliest retirement date, elected a joint and one-half survivor benefit and died the next day. Payment to the survivor is deferred until the participant's earliest retirement date.
 - For a participant who dies after having become eligible for early retirement, the survivor's benefit is calculated assuming that the participant had elected a joint and one-half survivor benefit on the day prior to death. Payment to the survivor begins immediately.
 - All of the plan's optional forms of payment are available to the surviving beneficiary.

Severance Benefits

- Upon the termination of employment after three or more years of service, a participant shall have a vested interest in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

<u>Years of Service</u>	<u>Vested Percent</u>
Less than 3	0%
3 or more	100%

Optional Forms of Payment

- The plan's basic form of payment is a straight life annuity, with payments ceasing upon the participant's death. Optional forms of payment are actuarially equivalent to the basic form of annuity.
- If a married participant does not make a payment election or does not provide spousal consent for a payment election, then the participant's retirement benefit will automatically be paid under option (a) below with the spouse as the beneficiary.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

- The options are:
 - (a) A reduced benefit to be paid during the participant's lifetime with 50% of the reduced benefit to be continued to the beneficiary for life after the participant's death.
 - (b) A reduced benefit to be paid during the participant's lifetime with 75% of the reduced benefit to be continued to the beneficiary for life after the participant's death.
 - (c) A reduced benefit to be paid during the participant's lifetime with 100% of the reduced benefit to be continued to the beneficiary for life after the participant's death.
 - (d) A reduced benefit to be paid for 60 months certain and thereafter for life.
 - (e) A reduced benefit to be paid for 120 months certain and thereafter for life.
 - (f) A lump sum benefit.
- The beneficiary for options (a), (b) or (c) is designated at retirement.
- The optional forms of payment are calculated using the following actuarial equivalence assumptions:
 - For other than lump sum benefits, the UP-84 Mortality Table, with a three-year setback for beneficiaries and survivors, and the PBGC immediate interest rate used to value lump sums for distress plan terminations as of January 1 of the year containing the date of distribution. For 2012 the interest rate is 1.25%.
 - For lump sum benefits, the "applicable mortality table" for the year of distribution prescribed by the IRS for lump sum payments, and segment interest rates as of the November preceding the first day of the Plan Year containing the date of distribution. For 2012 distributions the segment interest rates are 1.99%, 4.47% and 5.26%.

Amendment or Termination of Plan

- The Employer reserves the right to amend or terminate the Plan at any time.
- If the Employer initiates a standard plan termination then plan assets must be sufficient to provide for all accrued benefits.
- The Pension Benefit Guaranty Corporation (PBGC) reserves the right to initiate a distress plan termination if an Employer fails to meet the minimum funding standards or is unable to pay benefits when due. In a distress plan termination, certain benefits are guaranteed to participants without regard to the plan's funded status. Non-guaranteed benefits for participants are determined based upon a priority allocation procedure. The Employer will be liable for any unfunded vested benefits to the extent required by law.

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Schedule SB, Line 26 – Schedule of Active Participant Data

Years of Credited Service as of 01/01/2012

Attained Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
<25	0	7	0	0	0	0	0	0	0	0	7
25-29	0	30	26	1	0	0	0	0	0	0	57
30-34	0	14	26	15	0	0	0	0	0	0	55
35-39	0	10	23	6	8	1	0	0	0	0	48
40-44	0	9	14	15	2	7	1	0	0	0	48
45-49	0	7	20	19	4	6	5	2	0	0	63
50-54	0	6	27	9	2	4	3	5	2	0	58
55-59	0	7	9	13	3	2	3	2	2	0	41
60-64	1	1	15	7	5	2	3	1	1	1	37
65-69	1	0	2	0	0	0	0	0	1	0	4
70+	3	2	1	3	0	0	0	0	0	0	9
Total	5	93	163	88	24	22	15	10	6	1	427

Schedule SB, line 32 - Schedule of Amortization Bases

Plan Name	Peoples Bancorp Inc. Retirement Plan and Trust
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EIN: 31-0987416

Plan Sponsor's Name	<u>Peoples Bancorp Inc.</u>
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PN: 001

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Schedule SB, line 32 - Schedule of Amortization Bases

PN: 001

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