PEOPLES BANCORP INC
Form S-4/A
April 01, 2014

As filed with the Securities and Exchange Commission on April 1, 2014 Registration No. 333-194626
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Peoples Bancorp Inc.
(Exact name of Registrant as specified in its charter)

Ohio	6021	31-0987416
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

138 Putnam Street, Marietta, Ohio
(740) 373-3155
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

M. Ryan Kirkham, Esq.
Corporate Counsel
Peoples Bancorp Inc.
138 Putnam Street, Marietta, Ohio
(740) 376-7574
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Susan B. Zaunbrecher, Esq.	Thomas C. Blank, Esq.
Dinsmore & Shohl LLP	Shumaker, Loop & Kendrick, LLP
First Financial Center	North Courthouse Square
255 E. Fifth Street, Suite 1900	1000 Jackson
Cincinnati, Ohio 45202	Toledo, Ohio 43604
Phone: (513) 977-8171	Phone: (419) 321-1394

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

o Large accelerated filer	o Non-accelerated filer (do not check if smaller reporting company)
x Accelerated filer	oSmaller reporting company

If applicable, place an "x" in the box to designate the appropriate rule provision relied upon in conducting this transaction:

oExchange Act Rule 13e-4(i)(Cross-Border Tender Offer)
oExchange Act Rule 14d-1(d)(Cross-Border Third Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common Shares, no par value	425,000	N/A	$8,977,237.50	$1,156.27

(1) Represents an estimate of the maximum number of shares of common shares, no par value per share, of Peoples Bancorp Inc. that Registrant anticipates issuing in connection with the proposed merger to which this registration statement relates.

(2) Pursuant to Rule 457(f)(2) and (f)(3) under the Securities Act, and estimated solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price was calculated as the product of (i) $62.18 the book value per share of Midwest Bancshares, Inc. common stock to be exchanged in the Merger as of February 28, 2014, the latest practicable date prior to the date of filing of this registration statement, and (ii) 192,500, the estimated maximum number of shares of common stock of Midwest Bancshares, Inc. that may be exchanged in the merger, minus the amount of estimated cash to be paid, per share by Peoples Bancorp Inc. in the proposed merger.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT IS EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROXY STATEMENT/PROSPECTUS
DATED APRIL 1, 2014, SUBJECT TO COMPLETION

PROXY STATEMENT FOR THE SPECIAL MEETING OF SHAREHOLDERS OF
MIDWEST BANCSHARES, INC.

and

PROSPECTUS OF PEOPLES BANCORP INC.

MERGER PROPOSAL - YOUR VOTE IS VERY IMPORTANT

Peoples Bancorp Inc. (“Peoples”), and Midwest Bancshares, Inc. (“Midwest”), have entered into an Agreement and Plan of Merger dated as of January 21, 2014 (the “Merger Agreement”), which provides for the merger of Midwest with and into Peoples (the “Merger”). Consummation of the Merger is subject to certain conditions, including, but not limited to, obtaining the requisite vote of the shareholders of Midwest and the approval of the Merger by various regulatory agencies.

The board of directors of Midwest has called a special meeting of its shareholders to vote on the adoption and approval of the Merger Agreement. The time, date and place of the Midwest special meeting is as follows: 4:00 p.m., Eastern Daylight Savings Time, on May 14, 2014, at First National Bank of Wellston’s main office at 101 East A Street, Wellston, Ohio 45692. The adoption and approval of the Merger Agreement by the shareholders of Midwest requires the affirmative vote of the holders of at least two-thirds of the shares of Midwest common stock outstanding and entitled to vote at the special meeting.

Under the terms of the Merger Agreement, shareholders of Midwest will be entitled to receive after the Merger is completed, for each share of Midwest common stock:

- $65.50 in cash, or
- $65.50 in Peoples’ common shares (based upon the average closing price of Peoples’ common shares for the 20 trading days prior to the effective date of the Merger), or
- a combination of both.

The form of consideration to be received by each Midwest shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 25% of the merger consideration will consist of cash and no more than 75% and no less than 50% of the merger consideration will consist of Peoples’ common shares.

Peoples will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of Midwest common shares who would otherwise be entitled to receive a fraction of a share of Peoples’ common shares (after taking into account all shares of Midwest common shares owned by such holder at the effective time of the

Merger) will receive cash, without interest, in an amount equal to the fractional share to which such holder would otherwise be entitled to multiplied by $65.50.

This document is a proxy statement that Midwest is using to solicit proxies for use at its special meeting of shareholders to be held on May 14, 2014, to vote on the merger. It is also a prospectus relating to Peoples' issuance of shares of its common stock in connection with the Merger. This proxy statement/prospectus describes the special meeting, the merger proposal and other related matters.

Midwest's board of directors recommends that you vote "FOR" the Merger

Peoples' common shares are traded on the NASDAQ Global Select Market® under the symbol "PEBO." On January 21, 2014, the date of execution of the Merger Agreement, the closing price of a share of Peoples' common stock was $22.35. On March 28, 2014, the closing price of Peoples' common stock was $24.36. There is no established public trading market for Midwest's common stock.

You are encouraged to read this document, including the materials incorporated by reference into this document, carefully. In particular, you should read the "Risk Factors" section beginning on page 14 for a discussion of the risks you should consider in evaluating the Merger and how it will affect you.

Whether or not you plan to attend the special meeting of shareholders of Midwest, please complete, sign and return the enclosed proxy card in the enclosed postage-paid envelope.

Not voting by proxy or at the special meeting will have the same effect as voting against the adoption and approval of the Merger Agreement. We urge you to read carefully this proxy statement/prospectus, which contains a detailed description of the special meeting, the merger proposal, Peoples' common shares to be issued in the Merger and other related matters.

Sincerely,
/s/ Anthony S. Thorne
Anthony S. Thorne
President
Midwest Bancshares, Inc.

An investment in shares of Peoples' common stock in connection with the Merger involves risk. See "RISK FACTORS" beginning on page 14.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of Peoples' common shares to be issued in the Merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the Merger described in this proxy statement/prospectus are not savings accounts, deposit accounts or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal or state governmental agency.

This proxy statement/prospectus is dated April 1, 2014, and it
is first being mailed to Midwest shareholders on or about April 3, 2014.

Notice of Special Meeting of Shareholders
To be held at 4:00 p.m., Eastern Daylight Savings Time, on May 14, 2014, at
101 East A Street, Wellston, Ohio 45692

To the Shareholders of Midwest Bancshares, Inc.:

Notice is hereby given that a special meeting of the shareholders of Midwest Bancshares, Inc. will be held at 4:00 p.m., Eastern Daylight Savings Time, on May 14, 2014, at First National Bank of Wellston's main office at 101 East A Street, Wellston, Ohio 45692, for the purpose of considering and voting on the following matters:

1. A proposal to adopt and approve the Agreement and Plan of Merger dated as of January 21, 2014, by and between Peoples Bancorp Inc. and Midwest Bancshares, Inc.;

2. A proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Agreement and Plan of Merger; and

3. Any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The board of directors of Midwest Bancshares, Inc. is unaware of any other business to be transacted at the special meeting.

Holders of record of shares of Midwest Bancshares, Inc. common stock at the close of business on March 28, 2014, the record date, are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting. The affirmative vote of the holders of at least two-thirds of Midwest's shares is required to adopt and approve the Agreement and Plan of Merger.

A proxy statement/prospectus and proxy card for the special meeting are enclosed. A copy of the Agreement and Plan of Merger is attached as ANNEX A to the proxy statement/prospectus.

Your vote is very important, regardless of the number of shares of Midwest Bancshares, Inc. common stock you own. Please vote as soon as possible to make sure that your shares of common stock are represented at the special meeting. If you are a holder of record, you may cast your vote in person at the special meeting or, to ensure that your shares of Midwest Bancshares, Inc. common stock are represented at the special meeting, you may vote your shares by completing, signing and returning the enclosed proxy card. If your shares are held in a stock brokerage account or by a bank or other nominee (in "street name"), please follow the voting instructions provided by your broker, bank or nominee.

The Midwest Bancshares, Inc. board of directors unanimously recommends that you vote (1) "FOR" the adoption and approval of the Agreement and Plan of Merger and (2) "FOR" the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

By Order of the Board of Directors,
/s/ Anthony S. Thorne
Anthony S. Thorne
President
Midwest Bancshares, Inc.

April 1, 2014

WHERE YOU CAN FIND MORE INFORMATION

Peoples is a publicly traded company that files annual, quarterly and other reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the "SEC"). You may obtain copies of these documents by mail from the public reference room of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 for further information on the public reference room. Peoples also files reports and other information with the SEC electronically, and the SEC maintains a web site located at www.sec.gov containing this information. Certain information filed by Peoples with the SEC is also available, without charge, through Peoples' web site at www.peoplesbancorp.com under the "Investor Relations" section.

Peoples has filed a registration statement on Form S-4 to register its common shares to be issued as part of the merger consideration with the SEC. This document is a part of that registration statement. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that Peoples has previously filed with the SEC, which contain important information about the company and its financial condition. See "Incorporation of Certain Documents by Reference" on page 44. These documents are available, without charge, to you upon written or oral request at the applicable company's address and telephone number listed below:

Peoples Bancorp Inc.
138 Putnam Street
P.O. Box 738
Marietta, Ohio 45750
Attention: M. Ryan Kirkham, Esq.
Corporate Counsel
(740) 373-3155

Additional information about Midwest may be obtained by contacting Cheryl Norton, Corporate Secretary, 101 East A Street, Wellston, Ohio 45692, (740) 384-2146.

To obtain timely delivery, you must request the information no later than May 7, 2014.

Peoples' common shares are traded on the Nasdaq Global Select Market® under the symbol "PEBO." Midwest Bancshares, Inc. is privately held by approximately 94 shareholders.

Peoples has not authorized anyone to provide you with any information other than the information included in this document and documents to which are incorporated by reference. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this document and the documents incorporated by reference are accurate only as of their respective dates. Peoples' business, financial condition, results of operations and prospects may have changed since those dates.

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Questions and Answers About the Merger and the Special Meeting

The following are answers to certain questions that you may have regarding the special meeting. You are urged to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

Q.: Why am I receiving this proxy statement/prospectus?

A: You are receiving this proxy statement/prospectus because Peoples Bancorp Inc. ("Peoples") and Midwest Bancshares, Inc. ("Midwest") have entered into an Agreement and Plan of Merger dated as of January 21, 2014 (the "Merger Agreement"), attached to this proxy statement/prospectus as ANNEX A, pursuant to which Midwest will be merged with and into Peoples (the "Merger"). Immediately following the Merger, First National Bank of Wellston, a national banking association and a wholly- owned subsidiary of Midwest ("First National"), will merge with and into Peoples Bank, National Association, a national banking association and wholly owned subsidiary of Peoples ("Peoples Bank"), with Peoples Bank being the surviving entity, which transaction is referred to as the "subsidiary bank merger." The Merger Agreement must be adopted and approved by the holders of at least two-thirds of the shares of Midwest common stock outstanding and entitled to vote at the special meeting, in accordance with Section 1701.78 of the Ohio General Corporation Law and Midwest's Articles of Incorporation.

This proxy statement/prospectus contains important information about the Merger and the special meeting of the shareholders of Midwest, and you should read it carefully. The enclosed voting materials allow you to vote your shares of Midwest common stock without attending the special meeting.

Q: Why are Peoples and Midwest proposing to merge?

A: Midwest believes that the Merger is in the best interests of its shareholders and other constituencies because, among other reasons, the merger consideration will provide enhanced value and increased liquidity to Midwest shareholders. Furthermore, as a result of the Merger, Midwest will become part of a larger banking institution improving its ability to compete with larger financial institutions and better serve its customers' needs while maintaining the community bank philosophy that both institutions currently share.

Peoples believes that the Merger will benefit Peoples and its shareholders by enabling Peoples to further expand into the markets currently served by Midwest and strengthening the competitive position of the combined organization. Furthermore, Peoples believes its increased asset size after the Merger will create additional economies of scale and provide opportunities for asset and earnings growth in an extremely competitive banking environment.

Q: What will Midwest shareholders receive in the merger?

A: Under the terms of the Merger Agreement, after the Merger is completed, shareholders of Midwest will be entitled to receive for each share of Midwest common stock:

- $65.50 in cash, or
- $65.50 in Peoples' common shares (based upon the average closing price of Peoples' common shares for the 20 trading days prior to the effective date of the Merger), or
- a combination of both.

Peoples will not issue any fractional shares of common stock in connection with the merger. Instead, each holder of Midwest common shares who would otherwise be entitled to receive a fraction of a share of Peoples' common shares (after taking into account all shares of Midwest common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the fractional share to which such holder would otherwise be entitled to multiplied by $65.50.

You will have the opportunity to elect the form of consideration to be received for your shares subject to reallocation in order to ensure that no more than 50% and no less than 25% of the merger consideration will consist of cash and no more than 75% and no less than 50% of the merger consideration will consist of Peoples' common shares. Therefore, your ability to receive the cash or stock elections of your choice will depend on the elections of other Midwest shareholders.

The allocation of the mix of consideration payable to Midwest shareholders in the Merger will not be known until Peoples calculates the results of the cash and stock elections made by Midwest shareholders. See "The Merger Agreement- Reallocation of Peoples' Common Shares and Cash" beginning on page 33.

Q: How do Midwest Shareholders make their election to receive cash, Peoples' common shares or a combination of both?

A: If you are a Midwest shareholder of record, you will receive an election form, which you should complete and return, along with your Midwest stock certificate(s), according to the instructions printed on the election form. The election deadline will be 5:00 p.m., Eastern Daylight Savings Time, on May 3, 2014 (which we refer to as the "election deadline"). A copy of the election form is being mailed separately on the same date as this proxy statement/prospectus. Peoples will also make an election form available if requested by a Midwest shareholder of record following the mailing of the election forms and before the election deadline. If you do not send in the election form with your stock certificate(s) by the election deadline, you will be treated as though you had not made an election.

If you own shares of Midwest common stock in "street name" through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares concerning how to make an election. If you do not complete this process by the election deadline, you will be treated as though you had not made an election.

Q: Can I change my election?

A: You may change your election at any time prior to the election deadline by submitting to Wells Fargo Shareowner Services (Peoples' exchange agent under the Merger Agreement), written notice accompanied by a properly completed and signed, revised election form. You may revoke your election by submitting written notice to Wells Fargo Shareowner Services prior to the election deadline. Midwest shareholders will not be entitled to change or revoke their elections following the election deadline. If you instructed a bank, broker or other financial institution to submit an election for your shares, you must follow their directions for changing those instructions.

Q: What happens if I do not make a valid election or make no election to receive cash, Peoples' common stock or a combination of both?

A: If you do not return a properly completed election form or return an election form with no designation of merger consideration by the election deadline specified in the election form, your shares of Midwest common stock will be considered "No Election Shares." No Election Shares will be converted into the right to receive the stock consideration or the cash consideration according to the allocation procedures specified in the Merger Agreement. Generally, in the event one form of consideration (cash or shares of Peoples' common stock) is undersubscribed in the Merger, shares of Midwest common stock for which no election has been validly made will be allocated to that form of consideration before shares of Midwest common stock electing the oversubscribed form will be switched to it pursuant to the proration and adjustment procedures. Accordingly, while electing one form of consideration will not guarantee you will receive that form for all of your shares of Midwest common stock, in the event proration is necessary electing shares will have a priority over No Election Shares.

Q: When and where will the Midwest special meeting of shareholders take place?

A: The special meeting of shareholders of Midwest will be held at 4:00 p.m., Eastern Daylight Savings Time, on May 14, 2014, at First National Bank of Wellston's main office at 101 East A Street, Wellston, Ohio 45692.

Q: What matters will be considered at the Midwest special meeting?

A: The shareholders of Midwest will be asked to (1) vote to adopt and approve the Merger Agreement; (2) vote to approve the adjournment of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement; and (3) vote on any other business which properly comes before the special meeting.

Q: Is my vote needed to adopt and approve the Merger Agreement?

A: The adoption and approval of the Merger Agreement by the shareholders of Midwest requires the affirmative vote of the holders of at least two-thirds of the shares of Midwest common stock outstanding and entitled to vote at the special meeting. The special meeting may be adjourned, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement. The affirmative vote of the holders of a majority of the shares of Midwest common stock represented, in person or proxy, at the special meeting is required to adjourn the special meeting.

Q: How do I vote?

A: If you were the record holder of shares of Midwest common stock as of March 28, 2014, you may vote in person by attending the special meeting or, to ensure that your shares of Midwest common stock are represented at the special meeting, you may vote your shares by signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold shares of Midwest common stock in the name of a broker, bank or other nominee, please see the discussion below regarding shares held in "street name."

Q: What will happen if I fail to vote or abstain from voting?

A: If you fail to vote or if you mark "ABSTAIN" on your proxy card with respect to the proposal to adopt and approve the Merger Agreement, it will have the same effect as a vote "AGAINST" the proposal.

If you mark "ABSTAIN" on your proxy card with respect to the proposal to approve the adjournment of the Midwest special meeting, if necessary, to solicit additional proxies, it will have the same effect as a vote "AGAINST" the proposal. The failure to vote, however, will have no effect on the proposal to approve the adjournment of the Midwest special meeting, if necessary, to solicit additional proxies.

Q: How will my shares be voted if I return a blank proxy card?

A: If you sign, date and return your proxy card and do not indicate how you want your shares of Midwest common stock to be voted, then your shares will be voted "FOR" the adoption and approval of the Merger Agreement and, if necessary, "FOR" the approval of the adjournment of the special meeting to solicit additional proxies.

Q: If my shares of Midwest common stock are held in a stock brokerage account or by a bank or other nominee (in "street name"), will my broker, bank or other nominee vote my shares for me?

A: You must provide your broker, bank or nominee (the record holder of your common shares) with instructions on how to vote your shares of Midwest common stock. Please follow the voting instructions provided by your broker, bank or nominee.

If you do not provide voting instructions to your broker, bank or nominee, then your shares of Midwest common stock will not be voted by your broker, bank or nominee.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. You may revoke your proxy at any time before a vote is taken at the special meeting by:

- filing a written notice of revocation with the Corporate Secretary of Midwest, at 101 East A Street, Wellston, Ohio 45692;
- executing and returning another proxy card with a later date; or

- attending the special meeting and giving notice of revocation in person.

Your Attendance at the special meeting will not, by itself, revoke your proxy

If you hold your shares of Midwest common stock in “street name” and you have instructed your broker, bank or nominee to vote your shares of Midwest common stock, you must follow directions received from your broker, bank or nominee to change your vote.

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Q: If I do not favor the adoption and approval of the Merger Agreement, what are my rights?

A: If you are a Midwest shareholder as of March 28, 2014, the record date and you do not vote your shares in favor of the adoption and approval of the Merger Agreement, you will have the right under Section 1701.85 of the Ohio General Corporation Law to demand the fair cash value for your shares of Midwest common stock. The right to make this demand is known as "dissenters' rights." To exercise your dissenters' rights, you must deliver to Midwest a written demand for payment of the fair cash value of your shares before the vote on the Merger is taken at the special shareholders' meeting. The demand for payment must include your address, the number and class of Midwest shares owned by you, and the amount you claim to be the fair cash value of the your Midwest shares. For additional information regarding dissenters' rights, see "Dissenters' Rights" on page 19 of this proxy statement/prospectus and the complete text of the applicable sections of Section 1701.85 of the Ohio General Corporation Law attached to this proxy statement/prospectus as ANNEX B.

Q: When is the Merger expected to be completed?

A: We are working to complete the Merger as quickly as we can. We expect to complete the Merger late in the second quarter of 2014 or early in the third quarter of 2014, assuming shareholder approval and all applicable governmental approvals have been received by that date and all other conditions precedent to the Merger have been satisfied or waived.

Q: Should I send in my Midwest stock certificates now?

A. As addressed above under "How do Midwest Shareholders make their election to receive cash, Peoples' common shares or a combination of both?," you may send in your stock certificates with the election materials that are being sent to you separately. You should not, however, send in your stock certificates with your proxy card.

Q: What do I need to do now?

A: After carefully reviewing this proxy statement/prospectus, including its annexes, please complete, sign and date the enclosed proxy card and return it in the enclosed postage-paid envelope as soon as possible. By submitting your proxy, you authorize the individuals named in the proxy to vote your shares of Midwest common stock at the special meeting of shareholders of Midwest in accordance with your instructions. Your vote is very important. Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions to ensure that your shares of Midwest common stock will be voted at the special meeting.

Q: Who can answer my questions?

A: If you have questions about the merger or desire additional copies of this proxy statement/prospectus or additional proxy cards, please contact:

Anthony S. Thorne
President
Midwest Bancshares, Inc.
101 East A Street
Wellston, Ohio 45692
Phone: (740) 384-2146

Summary

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. You should read carefully this entire document and its annexes and all other documents to which this proxy statement/prospectus refers before you decide how to vote. In addition, we incorporate by reference important business and financial information about Peoples into this document. For a description of this information, see "Incorporation of Certain Documents by Reference" on page 44. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled "Where You Can Find More Information" in the forepart of this document. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Companies

Peoples Bancorp Inc.

Peoples Bancorp Inc.
138 Putnam Street
Marietta, Ohio 45750
Phone: (740) 373-3155

Peoples is a financial holding company registered under the Bank Holding Company Act of 1956, as amended, and was incorporated under the laws of the State of Ohio in 1980. Peoples offers diversified financial products and services through 49 financial service locations and 47 ATMs in central, northeastern and southeastern Ohio, west central West Virginia and northeastern Kentucky through its financial service subsidiaries. Peoples operates principally through its wholly-owned subsidiary, Peoples Bank. Peoples' other wholly-owned subsidiary is Peoples Investment Company. Peoples Bank's operating subsidiaries include Peoples Insurance Agency, LLC and PBNA, L.L.C., an asset management company. Peoples Investment Company owns Peoples Capital Corporation.

Peoples' primary business activities are conducted through Peoples Bank, a full-service community bank. Peoples Bank was first chartered as an Ohio banking corporation under the name "The Peoples Banking and Trust Company" in Marietta, Ohio, in 1902 and reorganized as a national banking association under its current name in 2000. Peoples Bank is a member of the Federal Reserve System and subject to regulation, supervision and examination by the Office of the Comptroller of the Currency. Peoples Bank's products and services include traditional banking products, such as deposit accounts, lending products and trust services. Peoples Bank provides services through traditional branch offices, automated teller machines ("ATM") and telephone and internet-based banking.

Peoples Investment Company, its subsidiary Peoples Capital Corporation, and PBNA, L.L.C. were formed to optimize Peoples' consolidated capital position and provide new investment opportunities as a means of enhancing profitability. These opportunities include, but are not limited to, investments in low-income housing tax credit funds or projects, venture capital and other higher risk investments that Peoples Bank is limited or restricted from participating in. Presently, the operations of these companies do not represent a material part of Peoples' overall business activities.

Through Peoples' financial services units noted above, Peoples makes a complete line of banking, investment, insurance and trust solutions available to its customers and clients. These products and services include the following:

- various demand deposit accounts, savings accounts, money market accounts and certificates of deposit
- commercial, consumer and real estate mortgage loans (both commercial and residential) and lines of credit
- debit and ATM cards
- corporate and personal trust services

- safe deposit rental facilities
- money orders and cashier’s checks
- full range of life, health and property and casualty insurance products
- custom-tailored fiduciary and wealth management services

Peoples’ financial products and services are offered through its financial service locations and ATMs in Ohio, West Virginia and Kentucky, as well as telephone and internet-based banking through both personal computers and mobile devices. Brokerage services are offered exclusively through an unaffiliated registered broker-dealer located at Peoples Bank’s offices. Peoples also makes available credit cards to consumers and businesses, as well as merchant credit card processing services, through joint marketing arrangements with third parties.

At December 31, 2013, Peoples had total assets of approximately $2.1 billion, total loans of approximately $1.2 billion, total deposits of approximately $1.6 billion, and total shareholders' equity of approximately $221.6 million.

Peoples' common shares are traded on the NASDAQ Global Select Market® under the symbol "PEBO". Peoples is subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, and, therefore, files reports, proxy statements and other information with the SEC. Further important business and financial information about Peoples is incorporated by reference into this proxy statement/prospectus. See "Incorporation of Certain Documents by Reference" on page 44 of this proxy statement/prospectus.

Midwest Bancshares, Inc.

Midwest Bancshares, Inc.
101 East A Street
Wellston, Ohio 45692
Phone: (740) 384-2146

Midwest is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, and was incorporated under the laws of the State of Ohio in 2007. Midwest has one wholly-owned subsidiary - First National.

First National is a national banking association originally chartered in 1886. First National's main office is located in Wellston, Ohio and it also has a branch office located in Jackson, Ohio.

First National is a full service community bank offering a range of commercial and personal banking services. Deposit services include a variety of checking accounts, savings accounts and certificates of deposit.

At December 31, 2013, Midwest had total assets of approximately $90.7 million, total loans of approximately $60.7 million, total deposits of approximately $78.5 million and total shareholders' equity of approximately $12 million.

Midwest's common shares are not traded on an established market.

The Merger (page 20)

The Merger Agreement provides that, if all of the conditions are satisfied or waived, Midwest will be merged with and into Peoples, with Peoples surviving. Immediately following the Merger, First National will be merged with and into Peoples Bank. The Merger Agreement is attached to this proxy statement/prospectus as ANNEX A and is incorporated in this proxy statement/prospectus by reference. We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

What Midwest shareholders will receive in the Merger (page 33)

Under the terms of the Merger Agreement, shareholders of Midwest will be entitled to receive after the Merger is completed, for each share of Midwest common stock:

- $65.50 in cash, or
- $65.50 in Peoples' common shares (based upon the average closing price of Peoples' common shares for the 20 trading days prior to the effective date of the Merger), or
- a combination of both.

The form of consideration to be received by each Midwest shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 25% of the merger consideration will consist of cash and no more than 75% and no less than 50% of the merger consideration will consist of Peoples' common shares.

Peoples will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of Midwest common shares who would otherwise be entitled to receive a fraction of a share of Peoples' common shares (after taking into account all shares of Midwest common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the fractional share to which such holder would otherwise be entitled to multiplied by $65.50.

Midwest special meeting of shareholders (page 18)

A special meeting of shareholders of Midwest will be held at 4:00 p.m., Eastern Daylight Savings Time, on May 14, 2014, at First National Bank of Wellston's main office at 101 East A Street, Wellston, Ohio 45692, for the purpose of considering and voting on the following matters:

- a proposal to adopt and approve the Merger Agreement;
- a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement; and
- any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The Midwest board of directors is presently unaware of any other business to be transacted at the special meeting.

You are entitled to vote at the special meeting if you owned shares of Midwest common stock as of the close of business on March 28, 2014. As of April 1, 2014, a total of 192,500 shares of Midwest common stock were outstanding and eligible to be voted at the Midwest special meeting.

Required vote (page 18)

The adoption and approval of the Merger Agreement will require the affirmative vote of the holders of at least 128,334 shares of Midwest common stock, which is two-thirds of the shares of Midwest common stock outstanding and entitled to vote at the Midwest special meeting. A quorum, consisting of the holders of 96,251 of the outstanding shares of Midwest common stock, must be present in person or by proxy at the Midwest special meeting before any action, other than the adjournment of the special meeting, can be taken. The affirmative vote of the holders of a majority of the shares of Midwest common stock represented, in person or proxy, at the special meeting is required to adjourn the special meeting, if necessary, to solicit additional proxies.

As of April 1, 2014, directors and executive officers of Midwest and their respective affiliates beneficially owned an aggregate of 15,615 shares of Midwest common stock, an amount equal to approximately 8.11% of the outstanding shares of Midwest common stock. All of the directors of Midwest, who collectively have the power to vote approximately 7.90% of the outstanding shares of Midwest common stock as of January 21, 2014, entered into a voting agreement on such date with Peoples pursuant to which they agreed, subject to certain terms and conditions, to vote all of their shares in favor of the adoption and approval of the Merger Agreement. As of the date of this proxy statement/prospectus, Peoples and its directors, executive officers and affiliates beneficially owned no shares of Midwest common stock.

Recommendation to Midwest shareholders (page 22)

The board of directors of Midwest unanimously approved the Merger Agreement. The board of directors of Midwest believes that the Merger is fair to and in the best interests of Midwest and its shareholders, and, as a result, the directors unanimously recommend that Midwest shareholders vote "FOR" the adoption and approval of the Merger Agreement and "FOR" the proposal to adjourn the special meeting, if necessary and appropriate, to solicit additional proxies.

In reaching this decision, the board of directors of Midwest considered many factors which are described in the section captioned "THE MERGER - Midwest's Background and Reasons for the Merger" beginning on page 20 of this proxy statement/prospectus.

Opinion of Midwest's financial advisor (page 23)

On January 21, 2014 Austin Associates, LLC ("Austin Associates") rendered its opinion to the board of directors of Midwest that as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the aggregate merger consideration in the Merger was fair, from a financial point of view, to Midwest's shareholders, collectively as a group. The full text of Austin Associates' written opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this document as ANNEX C. Midwest shareholders are urged to read the opinion in its entirety. Austin Associates' written opinion is addressed to the board of directors of Midwest, is directed only to the aggregate merger consideration in the Merger and does not constitute a recommendation as to how any holder of Midwest common stock should vote with respect to the Merger or any other matter.

Material federal income tax consequences of the Merger (page 29)

We intend that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and that, accordingly, for federal income tax purposes (i) no gain or loss will be recognized by Peoples or Midwest as a result of the Merger, (ii) Midwest shareholders who receive solely Peoples' common shares in exchange for shares of Midwest common stock in the Merger will recognize no gain or loss (other than the gain or loss to be recognized as to cash received in lieu of fractional Peoples' common shares), and their basis in and holding periods for Peoples' common shares received may vary among shares if blocks of Midwest common shares were acquired at different times or for different prices, and (iii) Midwest shareholders who receive solely cash in exchange for shares of Midwest common stock in the Merger will recognize gain or loss equal to the difference between the amount of cash received and their tax basis in their shares. Midwest shareholders receiving both Peoples' common shares and cash for their Midwest shares generally will recognize gain (but not loss) in an amount equal to the lesser of (i) their gain realized (i.e., the excess, if any, of the sum of the amount of cash and the fair market value of Peoples' common shares received over their adjusted cash basis in the Midwest shares surrendered) and (ii) the amount of cash received in the Merger.

Midwest shareholders who exercise dissenters' rights and receive cash for their shares of Midwest common stock generally will recognize gain or loss for federal income tax purposes.

All Midwest shareholders should read carefully the description under the section captioned "THE Merger -Material Federal Income Tax Consequences" beginning on page 29 of this proxy statement/prospectus and should consult their own tax advisors concerning these matters.

Interests of directors and executive officers of Midwest (page 28)

The directors and some of the executive officers of Midwest have interests in the Merger that are different from, or in addition to, the interests of Midwest shareholders generally. These include:

- retention payments to be paid by Peoples and/or First National to some executive officers and other employees of Midwest and First National who are needed to assist with the integration of operations;
- continued indemnification and continued insurance for directors and officers of Midwest for events occurring before the Merger;
- the ability of the directors of Midwest, at their discretion, to serve on a Peoples advisory board for a period of at least one year following the Merger for a fee of $500 per director per semi-monthly meeting; and
- the covenant of Peoples to pay the monthly premiums due to maintain the health coverage currently being received for the chairman of the board of directors of Midwest, and his family, for a period of one year following the closing of the Merger.

Midwest's board of directors was aware of these interests and considered them in approving the Merger Agreement. See "The Merger - Interests of Midwest Directors and Executive Officers in the Merger" beginning on page 28 of this proxy statement/prospectus.

Dissenters' rights (page 19)

Under Ohio law, if you do not vote in favor of the adoption and approval of the Merger Agreement and if you deliver a written demand for payment for the fair cash value of your shares of Midwest common stock prior to the Midwest special meeting, you will be entitled, if and when the Merger is completed, to receive the fair cash value of your shares of Midwest common stock. The right to make this demand is known as "dissenters' rights." Your right to receive the fair cash value of your shares of Midwest common stock, however, is contingent upon your strict compliance with the procedures set forth in Section 1701.85 of the Ohio General Corporation Law.

For additional information regarding your dissenters' rights, see "Dissenters' Rights" on page 19 of this proxy statement/prospectus and the complete text of Section 1701.85 of the Ohio General Corporation Law attached to this proxy statement/prospectus as ANNEX B. If you should have any questions regarding your dissenters' rights, you should consult with your own legal advisers.

Certain differences in shareholder rights (page 41)

When the Merger is completed, some Midwest shareholders will receive Peoples' common shares and, therefore, will become Peoples shareholders. As Peoples shareholders, your rights will be governed by Peoples' Amended and Restated

Articles of Incorporation and Regulations, as well as Ohio law. See “Comparison of certain rights of Peoples and Midwest shareholders” beginning on page 41 of this proxy statement/prospectus.

Regulatory approvals required for the Merger (page 28)
The Merger cannot be completed until Peoples receives necessary regulatory approvals, which include the approval (or waiver thereof) of the Board of Governors of the Federal Reserve System (the “Federal Reserve”) and the approval of the Office of the Comptroller of the Currency (“OCC”). Peoples has received such approval to consummate the Merger from both the OCC and the Federal Reserve.

Conditions to the Merger (page 35)

As more fully described in this proxy statement/prospectus and in the Merger Agreement, the completion of the Merger depends on the adoption and approval of the Merger Agreement by Midwest’s shareholders and receipt of the required regulatory approvals, in addition to satisfaction of, or where legally permissible, waiver of, other customary conditions. Although Peoples and Midwest anticipate the closing of the Merger will occur late in the second quarter or early in the third quarter of 2014, neither Peoples nor Midwest can be certain when, or if, the conditions to the Merger will be satisfied or, where permissible, waived, or that the Merger will be completed. See “THE MERGER AGREEMENT - Conditions to Consummation of the Merger” beginning on page 35 of this proxy statement/prospectus.

Termination of the Merger Agreement (page 40)

Peoples and Midwest may mutually agree to terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective, whether before or after shareholder approval, if the board of directors of each approves such termination by vote of a majority of the members of its entire board. In addition, either Peoples or Midwest, acting alone, may terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective under the following circumstances:

- if any of the required regulatory approvals is denied;
- if the Midwest shareholders do not adopt and approve the Merger Agreement at the Midwest special shareholder meeting;
- if there is a material breach by the other party of any representation, warranty, covenant or agreement contained in the Merger Agreement that cannot be or has not been cured within 30 days of notice of the breach; or
- if the merger has not been consummated by July 31, 2014, unless the failure to complete the merger by that date is due to the knowing action or inaction of the party seeking to terminate.

Acquisition proposals and termination fee (page 40)

Because Midwest has entered into the Merger Agreement, a binding legal agreement, if Midwest or First National executes a definitive agreement in connection with, or closes, an acquisition proposal (as defined in the Merger Agreement) with any person or entity other than Peoples and its subsidiaries, Midwest must pay Peoples the sum of $504,350 immediately after the earlier of such execution or closing. See “THE Merger Agreement - Acquisition Proposals and Termination Fee” beginning on page 40 of this proxy statement/prospectus.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR PEOPLES

The following table summarizes financial results achieved by Peoples for the periods and at the dates indicated and should be read in conjunction with Peoples' Consolidated Financial Statements and the notes to the Consolidated Financial Statements contained in reports that Peoples has previously filed with the SEC. Historical financial information for Peoples can be found in its Annual Report on Form 10-K for the fiscal year ended December 31, 2013. See "Where You Can Find More Information" in the forepart of this document for instructions on how to obtain the information that has been incorporated by reference. You should not assume the results of operations for past periods noted below indicate results for any future period.

The information below has been derived from Peoples' Consolidated Financial Statements.

	At or For the Year Ended December 31,				
	2013	2012	2011	2010	2009
Operating Data					
Total interest income	$ 67,071	$ 69,470	$ 75,133	$ 89,335	$ 102,105
Total interest expense	11,686	14,995	21,154	29,433	40,262
Net interest income	55,385	54,475	53,979	59,902	61,843
(Recovery of) provision for loan losses	(4,410)	(4,716)	7,998	26,916	25,721
Net impairment losses on investment securities	—	—	—	(1,786)	(7,707)
Net gain (loss) on investment securities and other transactions	334	(778)	(443)	(39)	1,343
Total non-interest income	37,220	34,971	32,944	31,634	32,050
FDIC insurance expense	1,036	1,002	1,867	2,470	3,442
Other expense	67,229	62,472	59,464	54,572	55,240
Preferred dividends [(a)]	—	—	1,343	2,052	1,876
Net income available to common shareholders	$ 17,574	$ 20,385	$ 11,212	$ 3,529	$ 2,314
Balance Sheet Data					
Total investment securities	$ 680,526	$ 709,085	$ 669,228	$ 641,307	$ 751,866
Loans, net of deferred fees and costs	1,196,234	985,172	938,506	960,718	1,052,058
Allowance for loan losses	17,065	17,811	23,717	26,766	27,257
Total intangible assets	77,603	68,525	64,475	64,870	65,599
Total assets	2,059,108	1,918,050	1,794,161	1,837,985	2,001,827
Non-interest-bearing deposits	409,891	317,071	239,837	215,069	198,000
Total retail interest-bearing deposits	1,121,826	1,119,633	1,047,189	1,059,066	1,095,466
Brokered certificates of deposits	49,041	55,599	64,054	87,465	102,420
Short-term borrowings	113,590	47,769	51,643	51,509	76,921
Long-term borrowings	121,826	128,823	142,312	157,703	246,113
Junior subordinated debentures held by subsidiary trust	—	—	22,600	22,565	22,530
Preferred stockholders' equity[(a)]	—	—	—	38645	38,543
Common stockholders' equity	221,553	221,728	206,657	192,036	205,425
Tangible assets [(b)]	1,981,505	1,849,525	1,729,686	1,773,115	1,936,228
Tangible equity [(b)]	143,950	153,203	142,182	165,811	178,369
Tangible common equity [(b)]	$ 143,950	$ 153,203	$ 142,182	$ 127,166	$ 139,826
Per Common Share Data					
Earnings per common share - basic	$ 1.65	$ 1.92	$ 1.07	$ 0.34	$ 0.22
Earnings per common share - diluted	1.63	1.92	1.07	0.34	0.22
Cash dividends declared per share	0.54	0.45	0.30	0.40	0.66
Book value per share [(c)]	20.89	21.02	19.67	18.36	19.80
Tangible book value per share [(b)] [(c)]	$ 13.57	$ 14.52	$ 13.53	$ 12.16	$ 13.48
Weighted-average number of common shares outstanding - basic	10,581,222	10,527,885	10,482,318	10,424,474	10,363,975
Weighted-average number of common shares outstanding - diluted	10,679,417	10,528,286	10,482,318	10,431,990	10,374,792
Common shares outstanding at end of period	10,605,782	10,547,960	10,507,124	10,457,327	10,374,637

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	At or For the Year Ended December 31,				
	2013	2012	2011	2010	2009
SIGNIFICANT RATIOS					
Return on average stockholders' equity	7.92 %	9.52 %	5.72 %	2.33 %	1.80 %
Return on average common stockholders' equity	7.92	9.52	5.61	1.76	1.17
Return on average assets	0.91	1.11	0.69	0.28	0.21
Net interest margin	3.25	3.39	3.43	3.51	3.48
Efficiency ratio [(d)]	71.90	69.55	68.98	60.30	60.14
Pre-provision net revenue to total average assets [(e)]	1.26	1.41	1.41	1.76	1.74
Average stockholders' equity to average assets	11.48	11.63	12.12	12.20	11.50
Average loans to average deposits	70.79	68.23	69.86	73.01	77.97
Dividend payout ratio	33.20 %	23.58 %	28.35 %	119.33 %	298.23 %
ASSET QUALITY RATIOS					
Nonperforming loans as a percent of total loans [(c)(f)]	0.73 %	1.50 %	3.26 %	4.26 %	3.31 %
Nonperforming assets as a percent of total assets [(c)(f)]	0.47	0.82	1.84	2.48	2.06
Nonperforming assets as a percent of total loans and other real estate owned [(c)(f)]	0.81	1.58	3.49	4.7	3.89
Allowance for loan losses as a percent of loans, net of deferred fees and costs [(c)]	1.43	1.81	2.53	2.79	2.59
Allowance for loan losses as a percent of nonperforming loans [(c)(f)]	194.13	119.75	77.18	65.09	78.12
(Recovery of) provision for loan losses as a percent of average total loans	(0.42)	(0.49)	0.84	2.61	2.35
Net (recoveries) charge-offs as a percent of average total loans	(0.35)%	0.12 %	1.16 %	2.66 %	1.96 %
CAPITAL RATIOS [(c)]					
Tier 1 common	12.42 %	14.06 %	12.82 %	11.59 %	10.58 %
Tier 1	12.42	14.06	14.86	16.91	15.49
Total (Tier 1 and Tier 2)	13.78	15.43	16.20	18.24	16.80
Tier 1 leverage	8.52	8.83	9.45	10.63	10.06
Tangible equity to tangible assets [(b)]	7.26	8.28	8.22	9.35	9.21
Tangible common equity to tangible assets [(b)]	7.26 %	8.28 %	8.22 %	7.17 %	7.22 %

(a) Amounts relate to Series A Preferred Shares issued and sold by Peoples in connection with its participation in the TARP Capital Purchase Program. Additional information regarding the Series A Preferred Shares can be found in Note 11 of the Notes to the Consolidated Financial Statements included immediately following Item 9B of Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

(b) These amounts represent non-generally accepted accounting principles ("GAAP") financial measures since they exclude the balance sheet impact of intangible assets acquired through acquisitions on both total stockholders' equity and total assets. Additional information regarding the calculation of these measures can be found in "ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" of Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2013, under the caption "Capital/Stockholders' Equity."

(c) Data presented as of the end of the period indicated.

(d) Non-interest expense (less intangible asset amortization) as a percentage of fully tax-equivalent net interest income plus non-interest income (excluding gains or losses on investment securities, asset disposals and other transactions).

(e) These amounts represent non-GAAP financial measures since they exclude the provision for loan losses and all gains and losses included in earnings. Additional information regarding the calculation of these measures can be found in “ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” of Peoples’ Annual Report on Form 10-K for the fiscal year ended December 31, 2013, under the caption “Pre-Provision Net Revenue”.

(f) Nonperforming loans include loans 90 days past due and accruing, renegotiated loans and nonaccrual loans. Nonperforming assets include nonperforming loans and other real estate owned.

COMPARATIVE PER SHARE DATA

The following table sets forth for Peoples and Midwest certain historical, pro forma and pro forma-equivalent per share financial information. The information is derived from and should be read together with the historical Consolidated Financial Statements of Peoples that are incorporated by reference in this proxy statement/prospectus. While helpful in illustrating the financial characteristics of the combined company under one set of assumptions, the pro forma data does not reflect certain anticipated costs and benefits of the Merger and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the Merger been consummated at the beginning of the periods presented. The pro forma data gives effect to the Merger and is based on numerous assumptions and estimates. The pro forma combined per share data and Midwest equivalent pro forma per share data are prepared assuming a maximum of 425,000 common shares will be issued in the Merger. See "THE Merger Agreement - Merger Consideration" on page 33.

	At or for the Year Ended December 31, 2013
Earnings per share: Basic	
Peoples total historical	$ 1.65
Midwest historical	2.05
Pro forma total combined	1.70
Equivalent pro forma for one share of Midwest common stock	5.02
Earnings per share: Diluted	
Peoples total historical	1.63
Midwest historical	2.05
Pro forma combined	1.68
Equivalent pro forma for one share of Midwest common stock	4.96
Cash dividends declared per share	
Peoples historical	0.54
Midwest historical	1.25
Pro forma combined	0.54
Equivalent pro forma for one share of Midwest common stock	1.59
Book value per share:	
Peoples historical	20.89
Midwest historical	62.24
Pro forma combined	20.89
Equivalent pro forma for one share of Midwest common stock	61.63

MARKET PRICE AND DIVIDEND INFORMATION

Peoples' common shares are traded on the NASDAQ Global Select Market® under the symbol "PEBO." The shares of Midwest common stock are not traded on an established market. Midwest is not a market maker in its own stock and does not maintain price information on trades. The figures reported here include prices self-reported by some (but not all) buyers in private transactions, combined with price information for street name sales reported online. There may have been other sales during these periods at prices higher or lower than those reported below.

The information presented in the following table reflects the last reported sale price on the NASDAQ Global Select Market® for Peoples' common shares as of January 20, 2014, the last trading day preceding our public announcement of the Merger, and on March 10, 2014, the last practicable day for which information was available prior to the date of this proxy statement/prospectus. The table also presents the equivalent price per share of Midwest, giving effect to the Merger as of such dates. The "Midwest Bancshares, Inc. Equivalent Per Share Price" is fixed at $65.50 per share on any given date until the Merger is consummated. The exchange ratio will vary based on the market price of Peoples' common stock. No assurance can be given as to what the market price of Peoples' common shares will be if and when the Merger is consummated.

	Peoples' Common Shares	Midwest's Equivalent Per Share Price
January 17, 2014	$ 21.86	$ 65.50
March 10, 2014	$ 25.45	$ 65.50

The following table lists the high and low prices per share for Peoples' common shares and Midwest common shares and the cash dividends declared by each company for the periods indicated.

	Peoples' Common Shares			Midwest Common Shares		
	High	Low	Dividends	High	Low	Dividends
2012						
First Quarter	$ 17.84	$ 14.59	$ 0.11	$ 35.00	$ 30.00	$ —
Second Quarter	$ 22.54	$ 16.48	$ 0.11	$ 32.30	$ 30.00	$ 0.50
Third Quarter	$ 23.93	$ 20.22	$ 0.11	$ 22.00	$ 22.00	$ —
Fourth Quarter	$ 23.80	$ 17.72	$ 0.12	$ 22.00	$ 22.00	$ 0.60
2013						
First Quarter	$ 22.65	$ 20.00	$ 0.12	$ 22.00	$ 22.00	$ —
Second Quarter	$ 22.34	$ 19.30	$ 0.14	$ 22.00	$ 22.00	$ 0.50
Third Quarter	$ 23.81	$ 20.02	$ 0.14	$ 22.00	$ 22.00	$ —
Fourth Quarter	$ 24.00	$ 20.11	$ 0.14	$ 34.00	$ 26.00	$ 0.75
2014						
First Quarter (through March 10, 2014)	$ 25.54	$ 24.95	$ 0.15	$ 64.00	$ 62.05	$ —

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the heading “Forward-Looking Statements” commencing on page 16 and the matters discussed under the caption “Risk Factors” in the Annual Report on Form 10-K filed by Peoples for the year ended December 31, 2013 and other reports filed with the SEC, you should carefully consider the following risk factors in deciding how to vote on adoption and approval of the Merger Agreement

The market value of Peoples’ common shares you receive in the Merger may decrease if there are fluctuations in the market price of Peoples’ common shares following the Merger

Under the terms of the Merger Agreement, shareholders of Midwest will be entitled to receive after the Merger is completed, for each share of Midwest common stock:

- $65.50 in cash, or

- $65.50 in Peoples’ common shares (based upon the average closing price of Peoples’ common shares for the 20 trading days prior to the effective date of the Merger), or

- a combination of both.

The form of consideration to be received by each Midwest shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 25% of the merger consideration will consist of cash and no more than 75% and no less than 50% of the merger consideration will consist of Peoples’ common shares.

As of March 28, 2014, the last practicable trading day for which information was available prior to the date of this proxy statement/prospectus, the last reported sales price reported on the NASDAQ Global Select Market® for Peoples’ common shares was $24.36 per share. You will not receive your merger consideration until several days after the closing of the Merger, during which the market price of Peoples’ common shares may decrease. If there is a decrease in the market price of Peoples’ common shares during this period, you will not be able to sell any of Peoples’ common shares that you may be entitled to receive in the Merger to avoid losses resulting from such decrease in the market price of Peoples’ common shares.

You may receive a form of consideration different from the form of consideration you elect

Under the terms of the Merger Agreement, shareholders of Midwest will be entitled to receive after the Merger is completed, for each share of Midwest common stock: (i) $65.50 in cash, (ii) $65.50 in Peoples’ common shares (based upon the average closing price of Peoples’ common shares for the 20 trading days prior to the effective date of the Merger), or (iii) a combination of both. The form of consideration to be received by each Midwest shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 25% of the merger consideration will consist of cash and no more than 75% and no less than 50% of the merger consideration will consist of Peoples’ common shares. The Merger Agreement contains proration and allocation methods to achieve this result. If you elect to receive all cash and the available cash is oversubscribed, then you may receive a portion of the merger consideration in the form of Peoples’ common shares. If you elect to receive all Peoples’ common shares and the available stock is oversubscribed, then you may receive a portion of the merger consideration in cash. If you elect a combination of cash and Peoples’ common shares, you may not receive the specific combination you request.

Peoples could experience difficulties in managing its growth and effectively integrating the operations of Midwest and First National

The earnings, financial condition and prospects of Peoples after the Merger will depend in part on Peoples' ability to integrate successfully the operations of Midwest and First National and to continue to implement its own business plan. Peoples may not be able to fully achieve the strategic objectives and projected operating efficiencies anticipated in the Merger. The costs or difficulties relating to the integration of Midwest and First National with the Peoples organization may be greater than expected or the cost savings from any anticipated economies of scale of the combined organization may be lower or take longer to realize than expected. Inherent uncertainties exist in integrating the operations of any acquired entity, and Peoples may encounter difficulties, including, without limitation, loss of key employees and customers, and the disruption of its ongoing business or possible inconsistencies in standards, controls, procedures and policies. These factors could contribute to Peoples not fully achieving the expected benefits from the Merger.

The Merger Agreement limits Midwest’s ability to pursue alternatives to the Merger with Peoples, may discourage other acquirers from offering a higher valued transaction to Midwest and may, therefore, result in less value for the Midwest shareholders

The Merger Agreement contains a provision that, subject to certain limited exceptions, prohibits Midwest from soliciting, negotiating, or providing confidential information to any third party relating to any competing proposal to acquire Midwest or First National. In addition, if Midwest executes a definitive agreement in respect of, or closes, an acquisition transaction with a third party, the Merger Agreement provides that Midwest must pay a $504,350 termination fee to Peoples. These provisions of the Merger Agreement could discourage other companies from trying to acquire Midwest even though such other companies might be willing to offer greater value to Midwest’s shareholders than Peoples has offered in the Merger Agreement. The payment of the termination fee also could have a material adverse effect on Midwest’s financial condition.

The fairness opinion obtained by Midwest from its financial advisor will not reflect changes in circumstances prior to the merger

Austin Associates, the financial advisor to Midwest, delivered a written fairness opinion to the board of directors of Midwest dated January 21, 2014. The fairness opinion states that, as of the date of the opinion, the merger consideration set forth in the Merger Agreement was fair, from a financial point of view, to the holders of shares of Midwest common stock. However, the fairness opinion does not reflect changes that may occur or may have occurred after the date on which it was delivered, including changes to the operations and prospects of Peoples or Midwest, changes in general market and economic conditions, or other changes. Should any such changes occur, it may alter the relative value of Peoples and Midwest.

Midwest shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined organization

Midwest’s shareholders currently have the right to vote in the election of the Midwest board of directors and on other matters affecting Midwest. When the Merger is completed, each Midwest shareholder that receives shares of Peoples’ common stock will become a shareholder of Peoples with a percentage ownership of the combined organization that is much smaller than the shareholder’s percentage ownership of Midwest. Because of this, Midwest’s shareholders will have less influence on the management and policies of Peoples than they now have on the management and policies of Midwest.

Certain of Midwest’s officers and directors have interests that are different from, or in addition to, interests of Midwest’s shareholders generally

The directors and officers of Midwest have interests in the Merger that are different from, or in addition to, the interests of Midwest’s shareholders generally. These interest include retention payments to be paid to certain officers, provisions in the Merger Agreement providing indemnification and insurance for directors and officers of Midwest for events occurring before the Merger, appointment to an advisory board that will be comprised of outside directors of Midwest who desire to participate, and payment of extended healthcare coverage for Midwest’s chairman and his family for one year following the closing of Merger.

Failure to complete the Merger could negatively impact the value of Midwest’s stock and future businesses and financial results of Peoples and Midwest

If the Merger is not completed, the ongoing businesses of Peoples and Midwest may be adversely affected and Peoples and Midwest will be subject to several risks, including the following:

- Peoples and Midwest will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, financial advisor and printing fees;
- under the Merger Agreement, Midwest is subject to certain restrictions on the conduct of its business before completing the Merger, which may adversely affect its ability to execute certain of its business strategies; and
- matters relating to the Merger may require substantial commitments of time and resources by Peoples and Midwest management, which could otherwise have been devoted to other opportunities that may have been beneficial to Peoples and Midwest as independent companies, as the case may be.

In addition, if the Merger is not completed, Midwest may experience negative reactions from its customers and employees. Midwest also could be subject to litigation related to any failure to complete the Merger.

FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated herein by reference contain forward-looking statements, including statements about Peoples' financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements express Peoples management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Certain statements contained in this proxy statement/prospectus and the documents incorporated herein by reference that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, notwithstanding that such statements are not specifically identified.

In addition, certain statements may be contained in the future filings of Peoples with the SEC, in press releases and in oral and written statements made by or with the approval of Peoples that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of forward-looking statements include, but are not limited to:

- statements about the benefits of the Merger between Peoples and Midwest, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the Merger;
- statements of plans, objectives and expectations of Peoples or Midwest or their respective management or boards of directors;
- statements of future economic performance; and
- statements of assumptions underlying such statements.

Words such as "believes," "anticipates," "expects," "intends," "targeted," "continue," "remain," "will," "should," "may" and o expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- the risk that the businesses of Peoples and Midwest will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;
- expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame;
- revenues or earnings following the Merger may be lower than expected;
- deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- the inability to obtain governmental approvals of the Merger on the proposed terms and schedule;
- the failure of Midwest's shareholders to approve the Merger;

- local, regional, national and international economic conditions and the impact they may have on Peoples and its customers and Peoples' assessment of that impact;
- changes in the level of non-performing assets, delinquent loans, and charge-offs;
- material changes in the value of Peoples' common shares;
- changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

- the risk that management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;
- inflation, interest rate, securities market and monetary fluctuations;
- changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;
- competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships and revenues;
- changes in laws and regulations (including laws and regulations concerning taxes, banking and securities) with which Peoples and Midwest must comply;
- the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve;
- legislation affecting the financial services industry as a whole, and/or Peoples and its subsidiaries, individually or collectively;
- governmental and public policy changes; and
- the impact on Peoples' businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that could cause Peoples' results to differ materially from those described in the forward-looking statements can be found in Peoples' Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to Peoples or Midwest or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. Peoples and Midwest undertake no obligation to update any forward-looking statement.

THE SPECIAL MEETING OF SHAREHOLDERS OF MIDWEST

Time, Date and Place

This proxy statement/prospectus is being provided to Midwest shareholders in connection with the solicitation of proxies by the Midwest board of directors for use at the special meeting of shareholders to be held at 4:00 p.m., Eastern Daylight Savings Time, on May 14, 2014, at 101 East A Street, Wellston, Ohio, including any adjournments of the special meeting.

Matters to be Considered

At the special meeting, the shareholders of Midwest will be asked to consider and vote upon the following matters:

- a proposal to adopt and approve the Merger Agreement;
- a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement; and
- any other business which properly comes before the special meeting or any adjournment or postponement of the special meeting. The board of directors of Midwest is unaware of any other business to be transacted at the special meeting.

The board of directors of Midwest believes that the Merger with Peoples is in the best interests of Midwest shareholders and recommends that you vote (1) “FOR” the adoption and approval of the Merger Agreement and (2) “FOR” the proposal to adjourn the special meeting of Midwest shareholders, if necessary, to solicit additional proxies.

Record Date; Shares Outstanding and Entitled to Vote

The board of directors of Midwest has fixed the close of business on March 28, 2014, as the record date for determining the Midwest shareholders who are entitled to notice of and to vote at the Midwest special meeting of shareholders. Only holders of shares of Midwest common stock at the close of business on the record date will be entitled to notice of and to vote at the Midwest special meeting.

As of the close of business on April 1, 2014, there were 192,500 shares of Midwest common stock outstanding and entitled to vote at the special meeting. The shares of Midwest common stock were held of record by approximately 94 shareholders. Each share of Midwest common stock entitles the holder to one vote on all matters properly presented at the special meeting.

Votes Required; Quorum

Under Ohio law and Midwest’s Articles of Incorporation, the adoption and approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds of the shares of Midwest common stock outstanding and entitled to vote at the special meeting. Approval of an adjournment of the special meeting requires the affirmative vote of the holders of a majority of Midwest’s common shares represented, in person or by proxy, at the special meeting.

As of April 1, 2014, directors and executive officers of Midwest and their respective affiliates beneficially owned an aggregate of 15,615 shares of Midwest common stock, an amount equal to approximately 8.11% of the outstanding shares of Midwest common stock. All of the directors of Midwest, who collectively have the power to vote approximately 7.90% of the outstanding shares of Midwest common stock as of January 21, 2014, entered into a voting agreement on such date with Peoples pursuant to which they agreed, subject to certain terms and conditions, to vote all of their shares in favor of the adoption and approval of the Merger Agreement. As of the date of this proxy statement/prospectus, Peoples and its directors, executive officers and affiliates beneficially owned no shares of Midwest common stock.

Your vote is important, the adoption and approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds of the shares of Midwest common stock outstanding and entitled to vote at the Midwest special meeting. Brokers who hold shares of Midwest common stock in “street name” for the beneficial owners cannot vote these shares of Midwest common stock on the adoption and approval of the Merger Agreement without specific instructions from the beneficial owners. If you fail to vote or if you mark “ABSTAIN” on your proxy card, or if your shares of Midwest common stock are held in “street name” and you fail to instruct your broker how to vote, it will have the same effect as a vote “AGAINST” the adoption and approval of the Merger Agreement.

A quorum, consisting of the holders of a majority of the outstanding shares of Midwest common stock, must be present in person or by proxy at the Midwest special meeting before any action, other than the adjournment of the special meeting, can be taken. A properly executed proxy card marked “ABSTAIN” will be counted for purposes of determining whether a quorum is present.

The Midwest board of directors does not expect any matter other than the adoption and approval of the Merger Agreement and, if necessary, the approval of the adjournment of the special meeting to solicit additional proxies, to be brought before the Midwest special meeting. If any other matters are properly brought before the special meeting for consideration, shares of Midwest common stock represented by properly executed proxy cards will be voted, to the extent permitted by applicable law, in the discretion of the persons named in the proxy card in accordance with their best judgment.

Solicitation and Revocation of Proxies

A proxy card accompanies each copy of this proxy statement/prospectus mailed to Midwest shareholders. Your proxy is being solicited by the board of directors of Midwest. Whether or not you attend the special meeting, the Midwest board of directors urges you to return your properly executed proxy card as soon as possible. If you return your properly executed proxy card prior to the special meeting and do not revoke it prior to its use, the shares of Midwest common stock represented by that proxy card will be voted at the special meeting or, if appropriate, at any adjournment of the special meeting. Midwest’s common shares will be voted as specified on the proxy card or, in the absence of specific instructions to the contrary, will be voted “FOR” the adoption and approval of the Merger Agreement and, if necessary, “FOR” the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

If you have returned a properly executed proxy card, you may revoke it at any time before a vote is taken at the special meeting by:

- filing a written notice of revocation with the Corporate Secretary of Midwest, at 101 East A Street, Wellston, Ohio 45692;
- executing and returning another proxy card with a later date; or
- attending the special meeting and giving notice of revocation in person.

Your attendance at the special meeting will not, by itself, revoke your proxy.

If you hold your shares of Midwest common stock in “street name” through a broker, bank or other nominee, you must provide your broker, bank or nominee (the record holder of your shares of common stock) with instructions on how to vote your shares of common stock. Your broker, bank or other nominee will provide you with a proxy card and voting instructions. If you have instructed your broker, bank or other nominee to vote your common shares, you must follow the directions received from your broker, bank or other nominee to change or revoke your vote.

Midwest will bear its own cost of solicitation of proxies on behalf of the Midwest board of directors. Proxies will be solicited by mail, and may be further solicited by additional mailings, personal contact, telephone, facsimile or electronic mail, by directors, officers and employees of Midwest, none of whom will receive additional compensation for their solicitation activities. Midwest will also pay the standard charges and expenses of brokerage houses, voting trustees, banks, associations and other custodians, nominees and fiduciaries, who are record holders of Midwest common shares not beneficially owned by them, for forwarding this proxy statement/prospectus and other proxy solicitation materials to, and obtaining proxies from, the beneficial owners of shares of Midwest common stock entitled to vote at the special meeting.

DISSENTERS' RIGHTS

Rights of Dissenting Midwest Shareholders

Shareholders of Midwest are entitled to certain dissenters' rights pursuant to Sections 1701.84(A) and 1701.85 of the Ohio General Corporation Law. Section 1701.85 generally provides that shareholders of Midwest will not be entitled to such rights without strict compliance with the procedures set forth in Section 1701.85, and failure to take any one of the required steps may result in the termination or waiver of such rights. Specifically, any Midwest shareholder who is a record holder of Midwest common shares on the March 28, 2014, the record date for the Midwest special meeting and whose shares are not voted in favor of the adoption of the Merger Agreement may be entitled to be paid the "fair cash value" of such Midwest common shares after the effective time of the Merger. To be entitled to such payment, a shareholder must deliver to Midwest a written demand for payment of the fair cash value of the shares held by such shareholder, before the vote on the merger proposal is taken, and the shareholder must otherwise comply with Section 1701.85. Any written demand must specify the shareholder’s name and address, the number and class of shares held by him or her on the Midwest record date, and the amount claimed as the “fair cash value” of such Midwest common shares. See the text of Section 1701.85 of the Ohio General Corporation Law attached as ANNEX B to this proxy statement/prospectus for specific information on the procedures to be followed in exercising dissenters’ rights.

If Midwest so requests, dissenting shareholders must submit their share certificates to Midwest within 15 days of such request, for endorsement on such certificates by Midwest that a demand for appraisal has been made. Failure to comply with such request will terminate the dissenting shareholders’ rights. Such certificates will be promptly returned to the dissenting shareholders by Midwest. If Midwest and any dissenting shareholder cannot agree upon the “fair cash value” of Midwest’s common shares, either may, within three months after service of demand by the shareholder, file a petition in the Court of Common Pleas of Jackson County, Ohio, for a determination of the “fair cash value” of such dissenting shareholder’s Midwest common shares. The fair cash value of a Midwest common share to which a dissenting shareholder is entitled to under Section 1701.85 will be determined as of the day prior to the special meeting. The court may appoint one or more appraisers to determine the “fair cash value” and, if the court approves the appraisers’ report, judgment will be entered for the “fair cash value,” and the costs of the proceedings, including reasonable compensation of the appraisers, will be assessed or apportioned as the court considers equitable.

If a Midwest shareholder exercises his or her dissenters’ rights under Section 1701.85, all other rights with respect to such shareholder’s Midwest common shares will be suspended until Midwest purchases the shares, or the right to receive the fair cash value is otherwise terminated. Such rights will be reinstated should the right to receive the fair cash value be terminated other than by the purchase of the shares.

The foregoing description of the procedures to be followed in exercising dissenters’ rights pursuant to Section 1701.85 of the Ohio General Corporation Law may not be complete and is qualified in its entirety by reference to the full text of Section 1701.85 attached as ANNEX B to this proxy statement/prospectus.

THE MERGER

The Proposed Merger

The Merger Agreement provides for the merger of Midwest with and into Peoples, with Peoples surviving (the “Merger”). Immediately following the Merger, and upon the receipt of the required regulatory approvals, First National will be merged with and into Peoples Bank, with Peoples Bank surviving the subsidiary bank merger.

The Merger Agreement is attached to this proxy statement/prospectus as ANNEX A and is incorporated in this proxy statement/prospectus by reference. You are encouraged to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

Midwest’s Background and Reasons for the Merger

Background of the Merger

As part of their continuing efforts to maximize shareholder value, Midwest’s board of directors has considered various strategic options over the years.

Previously, the Midwest board of directors believed that the long-term return to its shareholders would be enhanced by Midwest remaining an independent financial institution. However, in recent years, there has been, and there continues to be, substantial consolidation in the banking and financial services industry. This trend is necessarily of concern to smaller institutions like Midwest because larger entities have a greater depth of and access to capital and have operating efficiencies that can provide them certain competitive advantages. Midwest has been dedicated to the goal of providing superior banking services, and, in analyzing strategic alternatives, has always sought to ensure that its actions resulted in enhanced shareholder value.

On September 24, 2013, Anthony Thorne, the President of Midwest, received a phone call from a representative of Peoples to explore whether Midwest would be willing to consider affiliating with Peoples. At that time, Midwest had not been actively considering a transaction or other strategic alternatives, but had intended to remain independent. The following day, September 25, 2013, Mr. Thorne received an indication of interest letter from Peoples expressing its desire to acquire Midwest and First

National. On September 26, 2013, Mr. Thorne and David Ratz, Vice President of Midwest, met with Richard Billman, the Chairman of the board of directors of Midwest and First National, to discuss the Peoples proposal.

At its meeting on October 9, 2013, the full board of directors of Midwest was made aware of the proposal from Peoples. At that meeting, Mr. Thorne and Mr. Ratz were authorized to meet with representatives of Peoples to discuss a potential transaction. Such a meeting occurred in Athens, Ohio on October 24, 2013 when Messrs. Thorne and Ratz met with Mr. Charles W. Sulerzyski and Mr. Edward G. Sloane, the Chief Executive Officer and Chief Financial Officer, respectively, of Peoples. In that meeting, the representatives of the two organizations had preliminary discussions about a potential transaction.

After the meeting of October 24th, Peoples provided to Mr. Thorne a Mutual Confidentiality and Non-Disclosure Agreement (the "Confidentiality Agreement"), which Mr. Thorne executed and returned to Peoples, to allow representatives of the two organizations to have continued and more substantive conversations about a potential transaction. After additional discussions between the parties and among the members of the board of directors of Midwest at the board meeting on November 13th, Mr. Thorne executed and returned to Peoples the indication of interest letter on November 18, 2013. Representatives of Peoples commenced a due diligence investigation, visiting Wellston and Jackson, Ohio, where the offices of First National are located and reviewing financial, loan and additional information concerning Midwest and First National after the execution of the Confidentiality Agreement.

Acting under direction from the Midwest board of directors, on December 13, 2013, Mr. Ratz contacted Richard F. Maroney, Jr. of Austin Associates, an investment banking firm specializing in mergers and acquisitions of community banking organizations, to determine if Austin Associates would be in a position to issue a "fairness opinion" to Midwest concerning the proposed transaction with Peoples. On the same day, Mr. Ratz contacted Thomas C. Blank of Shumaker, Loop & Kendrick, LLP, an attorney that has been involved in a number of community banking merger transactions, to see if Mr. Blank and his firm would be able to assist Midwest with the proposed transaction. Both Mr. Maroney and Mr. Blank provided engagement letters from their firms to Midwest to represent Midwest in the proposed transaction. Both of the firms were retained to assist Midwest in the transaction.

Counsel to Peoples and Mr. Blank and Mr. Maroney, on behalf of Midwest, commenced negotiation of the Merger Agreement on January 3, 2014 and continued such negotiations until January 15, 2014.

On January 15, 2014, the board of directors of Midwest held an extended meeting to review the terms of the proposed Merger Agreement. Mr. Maroney discussed the financial aspects of the proposed transaction. At the conclusion of his presentation, Mr. Maroney confirmed that it was the opinion of Austin Associates that the consideration to be received by Midwest shareholders under the Merger Agreement was fair, from a financial point of view. Mr. Blank, as legal counsel, reviewed with the board of directors the terms of the Merger Agreement and related matters in detail. Following the discussions at the meeting, the board of directors of Midwest unanimously approved the Merger Agreement, subject to finalization of a few outstanding provisions. Mr. Blank and counsel to Peoples continued to negotiate such provisions and reached final agreement as to the form of the Merger Agreement on January 20, 2014. Mr. Thorne executed the Merger Agreement on behalf of Midwest on January 21, 2014. Each of the members of the Midwest board of directors also executed a voting agreement as of that date obligating them to vote the shares of Midwest owned by them in favor of the Merger. The form of the voting agreement is attached as Exhibit A to the Merger Agreement, included as ANNEX A to this proxy statement/prospectus.

Midwest and Peoples issued a joint press release on January 21, 2014, concerning the transaction and Peoples filed a Current Report on Form 8-K with the SEC on that date, reporting that it had entered into the Merger Agreement.

Midwest's Reasons for the Merger

Midwest's board of directors determined that the Merger and the merger consideration were in the best interests of Midwest and its shareholders and recommends that Midwest shareholders vote in favor of the approval and adoption of the Merger Agreement.

In its deliberations and in making its determination, Midwest's board of directors considered many factors including, without limitation, the following:

- the belief that the financial terms of the Merger are considered fair, from a financial standpoint, to the shareholders of Midwest, based upon the opinion of Austin Associates;
- Midwest's community banking orientation and its compatibility with a similar operating philosophy of Peoples and Peoples Bank;

- the business, earnings, operations, financial condition, management, prospects, capital levels and asset quality of both Midwest and Peoples;
- the challenges to operating a small community bank in the current economic, regulatory and technological environment;
- Peoples' access to capital and managerial resources relative to that of Midwest;
- the provisions of the Merger Agreement;
- its desire to provide shareholders with the prospect for greater future appreciation on their investments in Midwest common stock than the amount the board of directors believed that Midwest could achieve independently;
- the greater liquidity of Peoples' common shares;
- pricing and other data from other similar transactions;
- First National's potential to better serve its customers and enhance its competitive position in the communities in which it operates due to Peoples' ability to offer more diverse financial products and services as a larger and more highly capitalized institution;
- the ability for Midwest's board to respond to an unsolicited offer from another entity and the amount and terms of the termination fee;
- the effect of the Merger on Midwest's employees, customers and community; and
- the dividend accretion to Midwest shareholders who receive Peoples' common shares in exchange for their Midwest common shares.

The above discussion of the information and factors considered by Midwest's board of directors is not intended to be exhaustive, but includes all material factors considered by the board in arriving at its determination to approve, and to recommend that the Midwest shareholders vote to approve the Merger Agreement. The Midwest board of directors did not assign any relative or specific weights to the above factors, and individual directors may have given differing weights to different factors.

Recommendation of the Midwest Board of Directors

The board of directors of Midwest unanimously approved the Merger Agreement. The board of directors of Midwest believes that the Merger is fair to and in the best interests of Midwest and its shareholders, and, as a result, the directors unanimously recommend that Midwest shareholders vote "FOR" the adoption and approval of the Merger Agreement.

Peoples' Reasons for the Merger

Peoples believes that the Merger is in the best interests of Peoples and its shareholders. In reaching this determination, the Peoples board of directors consulted with its management, as well as its accounting and legal advisors, and considered the projected pro forma impact of the Merger and a number of other factors, including, without limitation, the following:

- the long-term interests of Peoples and its shareholders, as well as the interests of its employees, customers, creditors and the communities in which Peoples operates.
- the opportunity to acquire a 128-year old bank with deep community banking relationships;
- enhanced market share in Ohio with incremental high-quality, low-cost core deposits;
- the market area in which Midwest's offices are located is a market in which Peoples would like to continue to expand;
- the cost of acquiring Midwest, its branch network and customer base is estimated to be equivalent to the cost of building new branch facilities, which would not provide any customers, revenue stream, employees or community goodwill;
- Peoples believes it can realize cost savings and other benefits of size and operating efficiencies;
- Peoples believes that the merger should assist it in maintaining its status as an independent holding company and Peoples Bank as a community bank; and

- the size and structure of the transaction allows Peoples to maintain its strong capital position and fund the cash portion of the transaction through current operations; additionally, the merged banks will also maintain a strong

capital position allowing the organization to expand within its new markets.
The board of directors of Peoples also considered a variety of risks and other potentially negative factors in deliberations concerning the Merger. In particular, the board of directors of Peoples considered:

- the costs associated with the regulatory approval process, the costs associated with calling a special meeting of the Midwest shareholders and other Merger related costs; and
- the risks associated with combining the operations of Midwest with Peoples' existing operations, including difficulty in combining corporate, accounting, financial information and information systems.

The above discussion of the information and factors considered by Peoples' board of directors is not intended to be exhaustive, but includes all material factors considered by the board in arriving at its determination to approve. The board of directors of Peoples did not assign any relative or specific weights to the above factors, and individual directors may have given differing weights to different factors.

Opinion of Midwest's Financial Advisor

In December 2013, Midwest jointly engaged Austin Associates and Investment Bank Services ("IBS"), a registered broker dealer, to provide financial advisory services in connection with the potential sale of Midwest. Austin Associates is an investment banking and consulting firm specializing in community bank mergers and acquisitions. Principals of Austin Associates' investment banking team that assisted Midwest are also registered representatives of IBS. Midwest selected Austin Associates and IBS as its financial advisors on the basis of their experience and expertise in representing community banks in similar transactions.

Austin Associates acted as financial advisor to Midwest in connection with the Merger and participated in certain of the negotiations leading to the Merger Agreement. As part of its engagement, Austin Associates assessed the fairness, from a financial point of view, of the merger consideration being received by the shareholders of Midwest. Austin Associates attended the January 15, 2014 meeting at which Midwest's board considered and approved the Merger Agreement. At that meeting, Austin Associates delivered to the board its oral opinion, subsequently confirmed in writing that, as of such date, the merger consideration was fair to Midwest, and its shareholders, from a financial point of view. The full text of Austin Associates' opinion is attached as ANNEX C to this proxy statement/prospectus. The description of the opinion set forth below is qualified in its entirety by reference to the opinion.

You should consider the following when reading the discussion of Austin Associates' opinion in this document:

- The opinion letter details the procedures followed, assumptions made, matters considered, and qualifications and limitations of the review undertaken by Austin Associates in connection with its opinion, and should be read in its entirety;

- Austin Associates expressed no opinion as to the price at which Midwest's or Peoples' common stock would actually be trading at any time;

- Austin Associates' opinion does not address the relative merits of the Merger and the other business strategies considered by the Midwest's board, nor does it address the board's decision to proceed with the Merger; and

- Austin Associates' opinion rendered in connection with the Merger does not constitute a recommendation to any Midwest shareholder as to how he or she should vote at the special meeting.

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is, therefore, not readily susceptible to partial analysis or summary description. In performing its analyses, Austin Associates made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of Midwest and Peoples and may not be realized. Any estimates contained in Austin Associates' analyses are not necessarily predictive of future results or values, and may be significantly more or less favorable than the estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Unless specifically noted, none of the analyses performed by Austin Associates was assigned a greater significance by Austin Associates than any other. The relative importance or weight given to these analyses is not affected by the order of the analyses or the corresponding results. The summaries of financial analyses include information presented in tabular format. The tables should be read together with the text of those summaries.

With respect to the internal projections and estimates for Midwest and Peoples, and the expected transaction costs, purchase accounting adjustments and cost savings, Peoples and Midwest's management confirmed to us that they reflected the best currently available estimates and judgments of management of the future financial performance of Midwest and Peoples, respectively, and we assumed that such performance would be achieved. We express no opinion as to such financial projections and estimates or the assumptions on which they are based. We have also assumed that there has been no material change in Midwest or Peoples' assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to us. We have assumed in all respects material to our analysis that Midwest and Peoples will remain as going concerns for all periods relevant to our analyses, that all of the representations and warranties contained in the Agreement are true and correct, that each party to the Merger Agreement will perform all of the covenants required to be performed by such party under the Merger Agreement, and that the conditions precedent in the Merger Agreement are not waived. Finally, we have relied upon the advice Midwest has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the Merger and the other transactions contemplated by the Merger Agreement.

Austin Associates has relied, without independent verification, upon the accuracy and completeness of the information it reviewed for the purpose of rendering its opinion. Austin Associates did not undertake any independent evaluation or appraisal of the assets and liabilities of Peoples or Midwest, nor was it furnished with any appraisals. Austin Associates has not reviewed any individual credit files of Peoples or Midwest, and has assumed that Peoples' and Midwest's allowances are, in the aggregate, adequate to cover inherent credit losses. Austin Associates' opinion is based on economic, market and other conditions existing on the date of its opinion. No limitations were imposed by Midwest's board or its management upon Austin Associates with respect to the investigations made or the procedures followed by Austin Associates in rendering its opinion.

In rendering its opinion, Austin Associates made the following assumptions:

- that all material governmental, regulatory and other consents and approvals necessary for the consummation of the Merger would be obtained without any adverse effect on Midwest, Peoples or on the anticipated benefits of the Merger;
- that Midwest and Peoples have provided all of the information that might be material to Austin Associates in its review; and
- that the financial projections it reviewed were reasonably prepared on a basis reflecting the best currently available estimates and judgment of the management of Midwest and Peoples as to the future operating and financial performance of Midwest and Peoples, respectively.

In connection with its opinion, Austin Associates reviewed:

- the Merger Agreement;
- certain publicly available financial statements and other historical financial information of Midwest that we deemed relevant;
- certain publicly available financial statements and other historical financial information of Peoples that we deemed relevant;
- internal financial projections for Midwest and Peoples for the year ending December 31, 2014 prepared by and reviewed with management of Midwest and Peoples, respectively;
- the pro forma financial impact of the Merger on Peoples, based on assumptions relating to transaction expenses, accounting adjustments, and cost savings determined by and discussed with senior management of Peoples;
- publicly reported historical price and trading activity for Peoples' common stock, including a comparison of certain financial and stock market information with similar publicly available information for certain other companies the securities of which are publicly traded;
- the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;
- current market environment generally and the banking environment in particular; and
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such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant.

Austin Associates also discussed with certain members of senior management of Midwest the business, financial condition, results of operations and prospects of Midwest, including certain operating, regulatory and other financial matters. We held similar discussions with certain members of senior management of Peoples regarding the business, financial condition, results of operations and prospects of Peoples.

The following is a summary of the material factors considered and analyses performed by Austin Associates in connection with its opinion dated January 21, 2014. Austin Associates subsequently updated its analyses to include December 31, 2013 reported financial information of Midwest and Peoples. The summary does not purport to be a complete description of the analyses performed by Austin Associates. Capitalized terms used herein without definition shall have the meanings given to such terms in the Merger Agreement.

Summary of Financial Terms of Agreement

Austin Associates reviewed the financial terms of the Merger Agreement, including the form of consideration, the pricing formula of the exchange ratio for the stock portion of the consideration, and the resulting value per share to be received by Midwest common shareholders pursuant to the proposed Merger.

The terms of the Merger Agreement provide that each outstanding common share of Midwest stock shall receive $65.50 in value of: (i) shares of Peoples' common stock; (ii) cash; or (iii) a combination of shares of Peoples' common stock and cash. The shareholder election is subject to allocation procedures such that between 50% to 75% of Midwest common stock in the aggregate shall be converted into and become shares of Peoples' common stock and 50% to 25% of Midwest common stock shall be converted into the right to receive cash, respectively. In determining the number of Peoples' common stock to be issued, the merger consideration of $65.50 per share shall be divided by the average closing price of Peoples' common stock during the 20 consecutive trading days immediately preceding the closing date. As of January 21, 2014, the date of the announcement, the previous 20-day average closing price for Peoples was $22.33. For illustrative purposes, the exchange range would have equaled 2.933 if the transaction closed on January 21, 2014. The exchange ratio for the stock consideration will vary until the closing date based on changes in the closing price of Peoples' common stock.

Based on 192,500 common shares of Midwest outstanding and per share value of $65.50 per common share, the aggregate value of the transaction approximates $12.6 million. Austin Associates calculated that the value of $12.6 million represented as of December 31, 2013:

- 105% of book value;
- 105% of tangible book value;
- 32.0 times last twelve months net income ending December 31, 2013; and
- 0.9% premium above tangible equity as a percent of core deposits.

Comparable Transaction Analysis

Austin Associates compared the financial performance of certain selling institutions and the prices paid in selected transactions to Midwest's financial performance and the transaction multiples being paid by Peoples for Midwest. Specifically, Austin Associates reviewed certain information relating to Indiana, Kentucky, Ohio, Pennsylvania and West Virginia bank and thrift sale transactions from January 1, 2013 to December 31, 2013 involving sellers with total assets less than $500 million, and positive last twelve-month ("LTM") return on average assets ("ROAA"). Eleven transactions met the transaction criterion.

Buyer Name	State	Seller Name	City	State
1. First Financial Bancorp	OH	Insight Bank	Worthington	OH
2. First Financial Bancorp	OH	First Bexley Bank	Bexley	OH
3. Premier Financial Bancorp	WV	Bank of Gassaway	Gassaway	WV
4. ESSA Bancorp Inc.	PA	Franklin Security Bancorp	Wilkes-Barre	PA
5. LCNB Corp.	OH	Eaton National B&TC	Eaton	OH

6. Poage Bankshares Inc.	KY	Town Square Financial Corp.	Ashland	KY
7. German American Bancorp	IN	United Commerce Bancorp	Bloomington	IN
8. Peoples Bancorp Inc.	OH	Ohio Commerce Bank	Beachwood	OH
9. Croghan Bancshares Inc.	OH	Indebancorp	Oak Harbor	OH
10. CNB Financial Corp.	PA	FC Banc Corp.	Bucyrus	OH
11. First Trust Financial Corp.	KY	Ballard Kevil Bancorp, Inc.	Kevil	KY

The following table highlights the results of this guideline transaction comparison:

Seller's Financial Performance	Median Guideline	Midwest[(1)]
Total Assets ($ mils)	$191	$91
Tangible Equity / Tangible Assets	10.58%	13.21%
Return on Average Assets	0.63%	0.43%
Return on Average Equity	3.28%	3.30%
Efficiency Ratio	77.0%	80.5%
Nonperforming Assets / Total Assets	1.10%	3.02%
Deal Transaction Multiples		
Price / Tangible Book Value Ratio	127%	105%
Price / LTM Earnings	19.7	32.0
Premium / Core Deposits	4.2%	0.9%

(1) Midwest's financial performance and deal transaction multiples based on December 31, 2013 financial data.

The median LTM ROAA of the selling banks was 0.63%. Further, the median nonperforming assets ("NPA") to total assets ratio measured 1.10%. In contrast, Midwest had a LTM ROAA of 0.43% and a NPA to total assets ratio of 3.02%. The indicated price to tangible book ratio being paid by Peoples for Midwest of 105% was lower than the median price to tangible book ratio of 127% for this transaction group. The price-to-earnings multiple for Midwest of 32.0 was higher than the median multiple of 19.7. The indicated core deposit premium being paid by Peoples for Midwest of 0.9% was lower than the median premium paid for the transaction group of 4.2%.

Peoples Financial Performance and Market Trading Data versus Peer

Austin Associates compared selected results of Peoples' operating performance to those of 26 publicly traded banks in Indiana, Kentucky, Ohio, Pennsylvania and West Virginia having total assets between $1.0 billion and $5.0 billion. Austin Associates considered this group of financial institutions comparable to Peoples on the basis of asset size and geographic location.

This peer group consisted of the following companies:

Company Name	Symbol	Company Name	Symbol
1st Source Corp.	SRCE	Bryn Mawr Bank Corp.	BMTC
S&T Bancorp, Inc.	STBA	CNB Financial Corp.	CCNE
First Merchants Corp.	FRME	Bank of Kentucky Financial Corp.	BKYF
Customers Bancorp, Inc.	CUBI	Horizon Bancorp	HBNC
City Holding Co.	CHCO	STAR Financial Group Inc.	SFIGA
Republic Bancorp Inc.	RBCAA	MutualFirst Financial Inc.	MFSF
Lakeland Financial Corp.	LKFN	Citizens & Northern Corp.	CZNC
First Financial Corp.	THFF	Orrstown Financial Services	ORRF
MainSource Financial Group	MSFG	Penns Woods Bancorp Inc.	PWOD
S.Y. Bancorp Inc.	SYBT	Farmers National Banc Corp.	FMNB
Univest Corp. of Pennsylvania	UVSP	Codorus Valley Bancorp Inc.	CVLY
TriState Capital Holdings Inc.	TSC	AmeriServ Financial Inc.	ASRV
German American Bancorp	GABC	ACNB Corp.	ACNB

Austin Associates noted the following selected financial measures for the peer group as compared to Peoples:

	Peer Financial Performance			
	25th Pct	Median	75th Pct	Peoples[1]
Total Assets ($ mils)	$1,276	$2,148	$3,137	$2,059
Tangible Common Equity/Tangible Assets	8.48%	9.29%	9.91%	7.36%
LTM PTPP / Average Assets[2]	1.25%	1.70%	1.87%	1.39%
LTM Core Return on Average Assets	0.85%	1.02%	1.23%	0.82%
LTM Core Return on Average Equity	7.55%	9.64%	11.84%	7.14%
NPAs / Total Assets	1.21%	0.97%	0.83%	0.47%
NPAs / (Tangible Equity + ALLL[3])	11.90%	9.70%	7.20%	5.90%

(1) Peoples' financial performance as of December 31, 2013. Peoples' core net income has been adjusted to exclude recoveries of loan losses.

(2) PTPP = Pre-Tax Pre-Provision = Net Interest Income + Noninterest Income - Noninterest Expense.

(3) ALLL = Allowances for Loan and Lease Losses.

This comparison indicated that Peoples was below the 25th percentile of the peer group in profitability (ROAA and Return on Average Equity) while exceeding the 75th percentile in asset quality (NPAs / Total Assets). Peoples ranked below the 25th percentile in tangible common equity to tangible assets.

The following presents a summary of the market trading data of Peoples compared to this same peer group as of January 20, 2014, the day immediately prior to the date of Austin Associates's opinion letter:

	Peer Market Trading Data			
As of 01/20/2014	25th Pct	Median	75th Pct	Peoples[1]
Price / Tangible Book Value per Share	125%	146%	187%	159%
Price / LTM Core EPS[2]	12.8	14.0	15.7	14.8
Dividend Yield	1.57%	2.12%	3.14%	2.47%
Average Monthly Shares Traded	326,062	498,278	788,062	469,568
Average Monthly Volume to Shares	3.07%	3.86%	4.88%	4.43%

(1) Peoples' last 12 months Core EPS has been adjusted to exclude recoveries of loan losses.

(2) EPS = Earnings Per Share

Peoples traded slightly above the median of the peer group as measured by price to tangible book and price to LTM Core EPS. Peoples exceeded the median of the guideline group in dividend yield. Peoples approximated between the median average monthly trading volume.

Pro Forma Merger Analysis

Austin Associates analyzed the potential pro forma effect of the Merger assuming the Merger was completed on June 30, 2014. Assumptions were made regarding the accounting adjustments, costs savings and other acquisition adjustments based on discussions with management of Midwest and Peoples. Based on fully phased in cost savings 2015 earnings estimates, this analysis indicated that the Merger is expected to be accretive to Peoples' estimated stand-alone EPS in the beginning of 2015. Austin Associates calculated that Peoples' tangible book value per share would be diluted at closing, but recovered within one to two years depending on the level of stock consideration. Peoples would continue to be well-capitalized following the Merger.

Pro Forma Dividends Per Share to Midwest

Based on the illustrative exchange ratio and Peoples' current annual cash dividend rate of $0.60 per share, Midwest's common stockholders will receive $1.76 in equivalent cash dividends per share. Midwest's annual cash dividend in 2013 was $1.25 per share. As a result, shareholders electing to receive shares of Peoples would receive a 40.8%

increase in annual cash dividends following the Merger.

Austin's Compensation and Other Relationships With Midwest and Peoples

Midwest has agreed to pay Austin Associates and IBS certain fees for its services as financial advisor in connection with the Merger. Midwest paid Austin Associates a cash fee of $15,000 upon execution of the engagement letter. Midwest paid Austin Associates a cash fee of $25,000 upon execution of the Merger Agreement, which included the issuance of the Austin Associates fairness opinion. Midwest has agreed to pay IBS a cash fee at closing of the Merger equal to $30,000.

Midwest has agreed to reimburse Austin Associates and IBS for its reasonable out-of-pocket expenses, and to indemnify Austin Associates and IBS against certain liabilities, including liabilities under securities laws. Austin Associates has not provided any consulting services to Midwest prior to this transaction. In addition, Austin Associates has not provided consulting services to Peoples in the last four years.

Summary

Based on the preceding summary discussion and analysis, and subject to the qualifications described herein, Austin Associates determined the terms of the Merger Agreement to be fair, from a financial point of view, to Midwest and its shareholders.

The opinion expressed by Austin Associates was based on market, economic and other relevant considerations as they existed and could be evaluated as of the date of the opinion. Events occurring after the date of issuance of the opinion, including, but not limited to, changes affecting the securities markets, the results of operations or material changes in the financial condition of either Peoples or Midwest, could materially affect the assumptions used in preparing this opinion.

Regulatory Approvals Required

The Merger must receive approval from both the OCC and the Federal Reserve before the proposed Merger may be consummated. Peoples has received approval to consummate the Merger from both the OCC and Federal Reserve. Peoples and Midwest anticipate that the necessary regulatory approvals will be obtained and will not contain any materially adverse or unduly burdensome conditions, restrictions or requirements. However, there can be no assurance that any one or more of the required regulatory approvals will be obtained, that the approvals will be received on a timely basis, or that the approvals will not impose conditions or requirements that would so materially reduce the economic or business benefits of the Merger that, had such conditions or requirements been known, either Peoples or Midwest would not have entered into the Merger Agreement.

The approval of any regulatory applications merely implies the satisfaction of regulatory criteria for approval, which does not include review of the adequacy or fairness of the merger consideration to Midwest shareholders. Furthermore, regulatory approvals do not constitute or imply any endorsement or recommendation of the Merger or the terms of the Merger Agreement.

Interests of Midwest Directors and Officers in the Merger

As described below, some of Midwest's directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of Midwest shareholders generally. The Midwest board of directors was aware of these interests and considered them in approving the Merger Agreement.

Severance Payments

Under the terms of the Merger Agreement, Peoples shall pay to each employee, including officers, of Midwest or First National who (i) is not subject to an existing contract providing for severance and/or a change in control payment, (ii) is an employee of Midwest or First National immediately before the effective time of the Merger, (iii) has been an employee of Midwest or First National for at least 6 months prior to the effective time of the Merger, and (iv) is not offered continued employment by Peoples or any of its subsidiaries after the effective time of the Merger, or is offered employment outside of Jackson County, Ohio, or at a salary less than his or her current salary, or is involuntarily terminated by Peoples without cause during the first six months after the effective time of the Merger, a severance amount equal to 2 weeks base pay multiplied by the number of whole years of service of such employee with Midwest or First National, less applicable local, state and federal tax withholding; provided, however, that the minimum severance payment shall equal 4 weeks of base pay, and the maximum severance payment shall not exceed 26 weeks of base pay. Further, for any employee of Midwest or First National participating in Midwest's or First National's group health program at the effective time of the Merger who is entitled to a severance payment, the employee will be able to purchase health insurance coverage for the employee and for any spouse or other dependent covered by Midwest or First National's group health program at the effective time of the Merger, at the full premium rate for the entire COBRA period.

Retention Payments

Under the terms of the Merger Agreement, Midwest and Peoples may mutually determine that retention payments to any employees, including officers, of First National are necessary to allow for the continued efficient operation of First National through, or transition to Peoples Bank after, the effective time of the Merger. The Merger Agreement allows Midwest and Peoples to agree to make such payments at such times and in such individual amounts as mutually agreed to between Midwest and Peoples.

In addition to the discretionary retention payments noted above, certain long standing employees, including officers, of First National are entitled to specific retention bonuses in addition to severance payments to be received if (i) such person is not subject to an existing contract providing for severance and/or a change in control payment, (ii) such person is an employee of Midwest or First National immediately before the effective time of the Merger, (iii) such person has been an employee of Midwest or First National for at least six months prior to the effective time of the Merger, and (iv) such person is not offered continued employment by Peoples or any of its subsidiaries after the effective time of the Merger, or is offered employment outside of Jackson County, Ohio, or at a salary less than his or her current salary, or is involuntarily terminated by Peoples without cause during the first six months after the effective time of the Merger. Specifically, upon satisfaction of the conditions in the prior sentence, Anthony Thorne, President of Midwest and First National would be entitled to a retention payment in the event that he is terminated at the time of Merger or within six months thereafter.

Continuation of Healthcare Coverage for the Chairman of Midwest Board of Directors

For a period of one year from the effective date of the Merger, Peoples has agreed to pay the monthly premiums due to maintain the family health coverage that the chairman of the board of directors of Midwest is currently receiving under First National’s group health plan, for medical continuation coverage required pursuant to applicable law.

Advisory Board

Peoples has agreed to establish and maintain, for a period of one year following the effective date of the Merger, an advisory board that will be comprised of outside directors of Midwest who desire to participate. The advisory board shall meet every other month during the one year period, and the members of the advisory board will be entitled to receive a fee in the amount of $500 per member per meeting attended.

Indemnification and Directors’ and Officers’ Liability Insurance

For a period of five years following the effective time of the Merger and subject to compliance with applicable state and federal laws, Peoples will indemnify each person who served as a director or officer of Midwest before the effective time of the Merger to the fullest extent provided by Midwest’s governing documents, from and against expenses, including attorneys’ fees, judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding by reason of the fact that the person was an officer or director of Midwest. In addition, the Merger Agreement provides that, prior to the Merger, Midwest will purchase a directors’ and officers’ liability insurance policy to be effective for up to five years following the effective date of the Merger, on terms no less advantageous than those contained in Midwest’s existing policy.

Material Federal Income Tax Consequences

Reorganization Treatment
The Merger will be a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code, and Peoples and Midwest each will be a “party to the reorganization” within the meaning of Section 368(b) of the Internal

Revenue Code.

Tax Consequences to Peoples and Midwest

No Gain or Loss. No gain or loss will be recognized by Peoples or Midwest as a result of the Merger.

Tax Basis. The tax basis of the assets of Midwest in the hands of Peoples will be the same as the tax basis of such assets in the hands of Midwest immediately prior to the Merger.

Holding Period. The holding period of the assets of Midwest to be received by Peoples will include the period during which such assets were held by Midwest.

Tax Consequences to Midwest Shareholders who Receive Only Peoples' Common Stock

No gain or loss will be recognized by a Midwest shareholder who receives solely shares of Peoples' common stock (except for cash received in lieu of fractional shares, as discussed below) in exchange for all of its shares of Midwest common stock. The tax basis of the shares of Peoples' common stock received by a Midwest shareholder in such exchange will be equal (except for the basis attributable to any fractional shares of Peoples' common stock, as discussed below) to the basis of Midwest's common stock surrendered in exchange for the Peoples' common stock. For shares held through a broker, the designation is made by giving written notice to the broker. For shares held in certificate form by the shareholder, the designation is made by a written designation in the shareholder's records. For tax purposes, the holding period of the Peoples' common stock received will include the holding period of shares of Midwest common stock surrendered in exchange for the Peoples' common stock, provided that such shares were held as capital assets of the Midwest shareholder at the effective time of the Merger.

Tax Consequences to Midwest Shareholders who Receive Only Cash

A Midwest shareholder who receives solely cash in exchange for all of its shares of Midwest common stock (and is not treated as constructively owning Peoples' common stock after the Merger under the circumstances referred to below under "Possible Dividend Treatment") will recognize a gain or loss for federal income tax purposes equal to the difference between the cash received and such shareholder's tax basis in Midwest's common stock surrendered in exchange for the cash. Such gain or loss will be a capital gain or loss, provided that such shares were held as capital assets of the Midwest shareholder at the effective time of the Merger. Such gain or loss will be long-term capital gain or loss if the Midwest shareholder's holding period is more than one year. The Internal Revenue Code contains limitations on the extent to which a taxpayer may deduct capital losses from ordinary income.

Tax Consequences to Midwest Shareholders who Receive a Combination of Cash and Peoples' Common Stock

A Midwest shareholder who receives a combination of Peoples' common stock and cash in exchange for its Midwest common stock will not be permitted to recognize any loss for federal income tax purposes. Such a shareholder will recognize gain, if any, equal to the lesser of (i) the amount of cash received or (ii) the amount of gain "realized" in the transaction. The amount of gain a Midwest shareholder "realizes" will equal the amount by which (a) the cash plus the fair market value, at the effective time of the Merger, of Peoples' common stock received exceeds (b) the shareholder's basis in Midwest's common stock to be surrendered in the exchange for the cash and Peoples' common stock. Any recognized gain could be taxed as a capital gain or a dividend, as described below. The tax basis of the shares of Peoples' common stock received by such Midwest shareholder will be the same as the basis of the shares of Midwest common stock surrendered in exchange for the shares of Peoples' common stock, plus any gain recognized by such shareholder in the Merger, and minus any cash received by the shareholder in the Merger. The holding period for shares of Peoples' common stock received by such Midwest shareholder will include such shareholder's holding period for Midwest's common stock surrendered in exchange for the Peoples' common stock, provided that such shares were held as capital assets of the shareholder at the effective time of the Merger.

A Midwest shareholder's federal income tax consequences will also depend on whether its shares of Midwest common stock were purchased at different times and/or at different prices. If they were, the Midwest shareholder could realize gain with respect to some of the shares of Midwest common stock and loss with respect to other shares. Such Midwest shareholder would have to recognize such gain to the extent such shareholder receives cash with respect to those shares in which the shareholder's adjusted tax basis is less than the amount of cash plus the fair market value at the effective time of the Merger of the Peoples' common stock received, but could not recognize loss with respect to those shares in which the Midwest shareholder's adjusted tax basis is greater than the amount of cash plus the fair market value at the effective time of the Merger of Peoples' common stock received. Any disallowed loss would be included in the adjusted basis of Peoples' common stock. Such a Midwest shareholder is urged to consult its own tax advisor respecting the tax consequences of the Merger to that shareholder.

Possible Dividend Treatment

In certain circumstances, a Midwest shareholder who receives a combination of cash and Peoples' common stock in the Merger may receive ordinary income, rather than capital gain, treatment on all or a portion of the gain recognized by that shareholder if the receipt of cash "has the effect of the distribution of a dividend." In general, the determination of whether such gain recognized will be treated as capital gain or has the effect of a distribution of a dividend depends upon whether and to what extent the exchange reduces the shareholder's deemed percentage of stock ownership of Peoples. For purposes of this determination, the shareholder generally will be treated as if it first exchanged all of its shares of Midwest common stock solely for Peoples' common stock and then Peoples immediately redeemed a portion of Peoples' common stock in exchange for the cash the holder actually received, which redemption shall be referred to herein as a "deemed redemption." Such gain recognized by a shareholder pursuant to the deemed redemption will be treated as a capital gain if the deemed redemption is (i) "substantially disproportionate" with respect to the shareholder (and after the deemed redemption the holder actually or constructively owns less than 50% of the voting power of the outstanding Peoples' common stock) or (ii) not "essentially equivalent to a dividend."

The deemed redemption will be “substantially disproportionate” with respect to a holder if the percentage of the outstanding Peoples’ common stock that the holder actually and constructively owns immediately after the deemed redemption is less than 80% of the percentage of the outstanding Peoples’ common stock that the shareholder is deemed actually and constructively to have owned immediately before the deemed redemption. The deemed redemption will not be considered to be “essentially equivalent to a dividend” if it results in a “meaningful reduction” in the shareholder’s deemed percentage of stock ownership of Peoples. In applying the above tests, the shareholder may, under the constructive ownership rules, be deemed to own stock that is owned by other persons or otherwise in addition to the stock the holder actually owns or owned.

As these rules are complex and dependent upon each shareholder’s specific circumstances, each Midwest shareholder should consult its own tax advisor to determine whether it may be subject to these rules.

Cash in Lieu of Fractional Shares

A Midwest shareholder that receives cash in lieu of a fractional share of PEBO common stock generally will be treated as having received such fractional share and then having received such cash in redemption of such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the shareholder’s aggregate adjusted basis in the shares of Midwest stock surrendered which is allocable to the fractional share. Such gain or loss generally will be long-term capital gain or loss if the shareholder’s holding period for its Midwest stock exceeds one year at the effective time of the Merger.

Backup Withholding

Under certain circumstances, cash payments made to a holder of Midwest common shares pursuant to the Merger may be subject to backup withholding at a rate of 28% of the cash payable to the holder, unless the holder furnishes its taxpayer identification number in the manner prescribed in applicable Treasury regulations, certifies that such number is correct, certifies as to no loss of exemption from backup withholding and meets certain other conditions. Any amounts withheld from payments to a holder under the backup withholding rules will be allowed as a refund or credit against the holder’s U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

The discussion of material federal income tax consequences of the Merger is included in this proxy statement/prospectus for general information only. Each Midwest shareholder should consult with his, her or its own tax advisor regarding the specific tax consequences to the shareholder of the Merger, including the application and effect of state, local, and foreign income and other tax laws.

Accounting Treatment

The Merger will be accounted for under the acquisition method of accounting in accordance with U.S. GAAP. Under the acquisition method of accounting, the assets and liabilities of Midwest will be recorded and assumed at estimated fair values at the time the Merger is consummated. The excess of the estimated fair value of Peoples’ common shares issued and the cash proceeds paid over the net fair values of the assets acquired, including identifiable intangible assets, and liabilities assumed will be recorded as goodwill and will not be deductive for income tax purposes. Goodwill will be subject to an annual test for impairment and the amount impaired, if any, will be charged as an expense at the time of impairment.

Resale of Peoples’ Common Shares

Peoples has registered the Peoples' common shares to be issued in the Merger with the SEC under the Securities Act of 1933, as amended (the "Securities Act"). No restrictions on the sale or other transfer of Peoples' common shares issued in the Merger will be imposed solely as a result of the Merger, except for restrictions on the transfer of Peoples' common shares issued to any Midwest shareholder who may become an "affiliate" of Peoples for purposes of Rule 144 under the Securities Act. The term "affiliate" is defined in Rule 144 under the Securities Act and generally includes executive officers, directors and shareholders beneficially owning 10% or more of the outstanding Peoples' common shares.

Employee Matters

The Merger Agreement provides that employees of Midwest or First National who become employees of Peoples as a result of the Merger will, as determined by Peoples, participate in either Midwest's employee benefit plans (for so long as Peoples determines necessary or appropriate) or in the employee benefit plans sponsored by Peoples for Peoples' employees. Employees of Midwest or First National will receive credit for their years of service with Midwest or First

National, as applicable, for participation and vesting purposes under the applicable Peoples employee benefit plans, including credit for years of service and for seniority under vacation and sick pay plans and programs to the extent applicable under any such plan or program. The employee benefit plans offered to Midwest or First National employees who become employees of Peoples will be substantially similar to those offered to similarly situated employees of Peoples. In addition, to the extent employees of Midwest or First National participate in the Peoples group health plan, Peoples will waive all restrictions and limitations for pre-existing conditions under the Peoples group health plan to the extent permitted by such plan or insurance policy.

Subject to any applicable regulatory restrictions, Peoples has agreed to pay to each employee of Midwest or First National who (i) is not subject to an existing contract providing for severance and/or a change in control payment, (ii) is an employee of Midwest or First National immediately before the effective time of the Merger, (iii) has been an employee of Midwest or First National for at least six months prior to the Effective Time, and (iv) is not offered continued employment by Peoples or any of its subsidiaries after the effective time of the Merger, or is offered employment outside of Jackson County, Ohio, or at a salary less than his or her current salary, or is involuntarily terminated by Peoples without cause during the first six months after the Effective Time, a severance amount. The severance amount equal to two weeks' base pay multiplied by the number of whole years of service of such employee with Midwest or First National, less applicable local, state and federal tax withholding; provided, however, that the minimum severance payment shall equal four weeks of base pay, and the maximum severance payment shall not exceed 26 weeks of base pay. Further, for any employee of Midwest or First National participating in Midwest's or First National's group health program at the effective time of the Merger who is entitled to a severance payment, the employee will be able to purchase health insurance coverage for the employee and for any spouse or other dependent covered by Midwest or First National's group health program at the effective time of the Merger, at the full premium rate for the entire COBRA period.

ADJOURNMENT OF THE MIDWEST SPECIAL MEETING

In the event there are not sufficient votes to adopt and approve the Merger Agreement at the time of the Midwest special meeting, the Midwest shareholders cannot adopt and approve the Merger Agreement unless the special meeting is adjourned to a later date or dates in order to permit the solicitation of additional proxies. Pursuant to Ohio law, no notice of a meeting adjourned for less than 30 days needs to be given if the time and place to which the meeting is adjourned are fixed and announced at the meeting.

The proposal to adjourn the special meeting must be approved by the holders of a majority of Midwest's common shares present, in person or by proxy, at the special meeting. In order to permit proxies that have been received by Midwest at the time of the Midwest special meeting to be voted for an adjournment, if necessary, Midwest has submitted the proposal to adjourn the special meeting to the Midwest shareholders as a separate matter for their consideration.

The board of directors of Midwest recommends that you vote "FOR" the proposal to adjourn the special meeting.

THE MERGER AGREEMENT

The following is a description of the material terms of the Merger Agreement. A complete copy of the Merger Agreement is attached as ANNEX A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

The Merger Agreement contains representations and warranties of Midwest and Peoples. The assertions embodied in those representations and warranties are qualified by information contained in confidential disclosure schedules that the parties delivered in connection with the execution of the Merger Agreement. In addition, certain representations and warranties were made as of a specific date, may be subject to a contractual standard of materiality different from the standard of materiality generally applicable to statements made by a corporation to shareholders or may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts. Accordingly, you should not rely on the representations and warranties as characterizations of the actual state of facts, or for any other purpose, at the time they were made or otherwise.

The Merger and Subsidiary Bank Merger

Pursuant to the terms and subject to the conditions of the Merger Agreement, Midwest will merge with and into Peoples, with Peoples surviving the Merger and continuing as an Ohio corporation and a registered financial holding company. Immediately following the Merger, Peoples will cause First National to be merged with and into Peoples Bank, with Peoples

Bank surviving the Merger and continuing as a national banking association.

Effective Time

Peoples and Midwest will cause the effective date of the Merger of Midwest with and into Peoples to occur as soon as practicable after the last of the conditions set forth in the Merger Agreement have been satisfied or waived. Unless Peoples and Midwest otherwise agree in writing, the effective date of the Merger will not be after than July 31, 2014. The Merger will become effective upon the latest to occur of (a) the filing of a certificate of merger with the Ohio Secretary of State, or (b) at a later time that Peoples and Midwest agree to in writing and specify in the certificate of merger.

Peoples and Midwest currently anticipate closing the Merger and filing the certificate of merger with the Ohio Secretary of State late in the second quarter of 2014 or early in the third quarter of 2014.

Merger Consideration

Under the terms of the Merger Agreement, shareholders of Midwest will be entitled to receive after the Merger is completed, for each share of Midwest common stock:

- $65.50 in cash, or

- $65.50 in Peoples' common shares (based upon the average closing price of Peoples' common shares for the 20 trading days prior to the effective date of the Merger), or

- a combination of both.

The form of consideration to be received by each Midwest shareholder is subject to reallocation in order to ensure that no more than 50% and no less than 25% of the Merger consideration will consist of cash and no more than 75% and no less than 50% of the Merger consideration will consist of Peoples' common shares. No guarantee can be made that Midwest shareholders will receive the amounts of cash or stock they elect. As a result of the allocation procedures and other limitations outlined in this proxy statement/prospectus and in the Merger Agreement, Midwest shareholders may receive Peoples' common shares or cash in amounts that vary from the amounts they elect to receive.

Peoples will not issue any fractional shares of common stock in connection with the Merger. Instead, each holder of Midwest common shares who would otherwise be entitled to receive a fraction of a share of Peoples' common shares (after taking into account all shares of Midwest common shares owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount equal to the fractional share to which such holder would otherwise be entitled to multiplied by $65.50.

At the effective time of the Merger, Midwest's common shares will no longer be outstanding and will automatically be cancelled and cease to exist, and holders of shares of Midwest common stock will cease to be, and will have no rights as, shareholders of Midwest, other than to receive the merger consideration pursuant to the terms and conditions of the Merger Agreement (and dissenters' rights under Section 1701.85 of the Ohio General Corporation Law in the case of shares of Midwest common stock as to which a holder has properly exercised dissenters' rights).

Election and Payment Procedures; Surrender of Certificates

An election form (an "Election Form") shall be mailed on the same date this proxy statement/prospectus is mailed to each holder of record of shares of Midwest common shares as of a record date which shall be the same date as the record date for eligibility to vote on the Merger. Each Election Form shall permit the holder (or in the case of nominee record holders, the beneficial owner through proper instructions and documentation) (i) to elect to receive Peoples' common shares with respect to all of such holder's Midwest common shares, (ii) to elect to receive cash with respect to all of such holder's Midwest common shares, (iii) to elect to receive cash with respect to some of such holder's Midwest common shares and to receive Peoples' common shares with respect to such holder's remaining Midwest common shares, or (iv) to indicate that such holder makes no such election with respect to such holder's Midwest common shares ("No Election Shares"). Any Midwest common shares with respect to which the holder has elected to receive cash are hereinafter referred to as "Cash Election Shares," and any Midwest common shares with respect to which the holder has elected to receive Peoples' common shares are hereinafter referred to as "Stock Election Shares." Any Midwest common shares with respect to which the holder thereof shall not have made, as of the Election Deadline (as defined below), an election by submission to Wells Fargo Shareowner Services, as Peoples' exchange agent (the "Exchange Agent"), of an effective, properly completed Election Form shall be deemed to be No Election

Shares. Any shares held by holders exercising their dissenter's rights shall be deemed to be Cash Election Shares for purposes of reallocation of the merger consideration, if applicable.

Any election to receive cash, Peoples' common shares or a combination of cash and Peoples' common shares will be considered to have been properly made by a Midwest shareholder only if the Exchange Agent receives a properly completed Election Form by the deadline set forth in the Election Form (the "Election Deadline"), accompanied by one or more certificates representing Midwest common shares ("Old Certificate(s)") (or customary affidavits and, if required by Peoples, indemnification regarding the loss or destruction of such Old Certificates) representing all Midwest common shares covered by such Election Form, together with duly executed transmittal materials included with the Election Form. Any Midwest shareholder who does not return an Election Form prior to the Election Deadline will receive a transmittal letter from the Exchange Agent as soon as practicable after the Election Deadline. The transmittal letter to be mailed will be deemed properly completed only if accompanied by the Old Certificates to be converted into cash, Peoples' common shares or some combination of both.

Any submitted Election Form may be revoked or changed by written notice to the Exchange Agent prior to the Election Deadline. The Exchange Agent shall be required to make all determinations as to when any election, modification or revocation has been received and whether any such election, modification or revocation has been properly made.

Promptly, and not more than three business days after the effective time of the Merger, the Exchange Agent will cause new certificates representing Peoples' common shares into which a shareholder's shares of Midwest common stock were converted in the Merger, and a check in respect of cash to be paid as part of the merger consideration and in respect of any fractional share interests or dividends or distributions which such shareholder is entitled to receive, to be delivered to the shareholder. No interest will be paid on any cash to be paid in exchange for shares of Midwest common stock or in respect of any fractional share interests, dividends or distributions which any shareholder is entitled to receive under the terms of the Merger Agreement.

Until surrendered, each Midwest stock certificate will be deemed after the effective time of the Merger to represent only the right to receive, upon surrender of such certificate, a Peoples stock certificate and a check in an amount equal to the sum of the cash to be paid to the holder as part of the merger consideration, any cash to be paid in lieu of any fractional Peoples' common shares to which the holder is entitled under the terms of the Merger Agreement and any cash to be paid in respect of any dividends or distributions to which the holder may be entitled with respect to his or her Peoples common shares (in each case, without interest).

A Midwest shareholder will not be entitled to receive payment of any dividends or distributions with respect to Peoples' common shares with a record date occurring after the effective time of the Merger until the shareholder has followed the procedures described above for surrendering his or her Midwest stock certificates. After a Midwest shareholder has properly surrendered his or her Midwest stock certificates in exchange for Peoples' common shares, the shareholder will be entitled to receive any dividends or distributions on Peoples' common shares with a record date occurring on or after the effective time of the Merger. No interest will be paid on any such dividends or distributions.

If any Midwest stock certificate has been lost, wrongfully taken, or destroyed, the transmittal materials received from the Exchange Agent will explain the steps that the Midwest shareholder must take.

Reallocation of Peoples' Common Shares and Cash

All elections by Midwest shareholders are subject to the allocation procedures described in the Merger Agreement. These procedures are intended to ensure that no more than 50% and no less than 25% of the Merger consideration will consist of cash and no more than 75% and no less than 50% of the Merger consideration will consist of Peoples' common shares. As a result, the Merger Agreement describes procedures to be followed if Midwest shareholders in the aggregate elect to receive more or fewer shares of Peoples' common shares than Peoples has agreed to issue. These procedures are summarized below:

- Underscription of Cash Elections: If the number of Cash Election Shares (including cash to be paid in lieu of fractional Peoples' common shares) is less than 25% of the merger consideration, then:

each of the Cash Election Shares shall receive cash; and
the Exchange Agent will designate first among the No Election Shares, on a pro rata basis, and then if necessary from Stock Election Shares, on a pro rata basis, a sufficient number shares to be reclassified to receive cash ("Reallocated Cash Shares"), until the number of Cash Election Shares

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(including cash to be paid in lieu of fractional Peoples' common shares) plus the number of Reallocated Cash Shares equals 25% of the merger consideration.

- Overscription of Cash Elections: If the number of Cash Election Shares (including cash to be paid in lieu of fractional Peoples' common shares) is greater than 50% of the merger consideration, then:

each of the Stock Election Shares and No Election Shares shall receive Peoples' common shares; and
the Exchange Agent will designate first among the Cash Election Shares, excluding any shares the holder of which has exercised his or her dissenters' rights, on a pro rata basis, a sufficient number shares to be reclassified to receive cash, until the remaining number of Cash Election Shares (including cash to be paid in lieu of fractional Peoples' common shares) equals 50% of the merger consideration.

Neither Midwest nor Peoples is making any recommendation as to whether Midwest shareholders should elect to receive cash or Peoples' common shares in the Merger. Each Midwest shareholder must make his or her own decision with respect to such election.

No guarantee can be made that you will receive the amounts of cash or Peoples' common shares you elect. As a result of the allocation procedures and other limitations outlined in this proxy statement/prospectus and in the Merger Agreement, you may receive Peoples' common shares or cash in amounts that vary from the amounts you elected to receive.

Indemnification and Directors' and Officers' Liability Insurance

For a period of five years following the effective time of the Merger and subject to compliance with applicable state and federal laws, Peoples will indemnify each person who served as a director or officer of Midwest before the effective time of the Merger to the fullest extent provided by Midwest's governing documents, from and against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding by reason of the fact that the person was an officer or director of Midwest. In addition, the Merger Agreement provides that, prior to the Merger, Midwest will purchase a policy of directors' and officers' liability insurance to be effective for up to five years following the Merger, on terms no less advantageous than those contained in Midwest's existing policy.

Conditions to Consummation of the Merger

Conditions of Peoples and Midwest. The respective obligations of Peoples and Midwest to complete the Merger are subject to the fulfillment or written waiver of each of the following conditions:

- the Merger Agreement must be duly adopted and approved by the requisite vote of the shareholders of Midwest;
- all regulatory approvals required to consummate the Merger must have been obtained and remain in full force and effect and all statutory waiting periods in respect thereof shall have expired and no such approvals shall contain (i) any conditions, restrictions or requirements which the board of directors of Peoples reasonably determines would, either before or after the effective time of the Merger, have a material adverse effect on Peoples and its subsidiaries taken as a whole after giving effect to the consummation of the Merger, or (ii) any conditions, restrictions or requirements that are not customary and usual for approvals of such type and which the board of directors of Peoples reasonably determines would, either before or after the effective time of the Merger, be unduly burdensome. For purposes of this condition, the failure of any regulatory order applicable to Midwest or First National to be terminated or the pendency or threat of any of certain regulatory actions against Midwest or First National shall constitute grounds for Peoples to terminate the Merger Agreement; and
- there must not be any temporary, preliminary or permanent statute, rule, regulation, judgment, decree, injunction or other order issued by or imposed by any court or any other governmental authority, that is in effect and prohibits consummation of the transactions contemplated by the Merger Agreement,

Conditions of Midwest. Midwest will not be required to complete the Merger unless the following conditions are fulfilled or waived in writing:

- the representations and warranties of Peoples contained in the Merger Agreement must be true and correct, subject to the standard set forth in the Merger Agreement, as of the date of the Merger Agreement and as of the effective time of the Merger (or if any representation or warranty speaks as of a specific date, as of that date), and Midwest must have received a certificate, dated as of the effective date, signed on behalf of Peoples by its chief executive officer to such effect;

- Peoples must have performed in all material respects all of its obligations under the Merger Agreement which are required to be performed at or prior to the effective time of the Merger, and Midwest must have received a certificate, dated as of the effective date, signed on behalf of Peoples by its chief executive officer to such effect; and

- Midwest shall have procured a policy of directors' and officers' liability insurance in accordance with the terms of the Merger Agreement.

Conditions of Peoples. Peoples will not be required to consummate the Merger unless the following conditions are also fulfilled or waived in writing:

- the representations and warranties of Midwest contained in the Merger Agreement must be true and correct, subject to the standard set forth in the Merger Agreement, as of the date of the Merger Agreement and as of the effective time of the Merger (or if any representation or warranty speaks as of a specific date, as of that date), and Peoples must have received a certificate, dated as of the effective date, signed on behalf of Midwest by its president to such effect;
- Midwest must have performed in all material respects all of its obligations under the Merger Agreement which are required to be performed at or prior to the effective time of the Merger, and Peoples must have received a certificate, dated as of the effective date, signed on behalf of Midwest by its president to such effect;
- Midwest must have obtained the consent or approval of each person (other than governmental authorities) whose consent or approval is required under the Merger Agreement or under any loan or credit agreement, note, mortgage, indenture, lease, license or other agreement or instrument in connection with the Merger Agreement, except those for which failure to obtain such consents and approvals would not, individually or in the aggregate, have a material adverse effect on Peoples after the Merger;
- Peoples must have received a statement executed on behalf of Midwest, dated as of the effective date of the Merger, that satisfies the requirements of regulations of the United States Department of Treasury ("Treasury Regulations") Section 1.1445-2(c)(3) and complies with Treasury Regulations Section 1.897-2(h), in a form reasonably applicable to Peoples certifying that Midwest's common shares do not represent United States real property interests within the meaning of Section 897 of the Internal Revenue Code and the Treasury Regulation promulgated thereunder;
- the holders of not more than 5% of the outstanding Midwest's common shares shall have perfected their dissenters' rights under Section 1701.85 of the Ohio General Corporation Law in connection with the Merger;
- no condemnation, eminent domain or similar proceedings are commenced or threatened in writing by any federal, state or local government authority with respect to any real estate owned by Midwest or First National, including real estate acquired in connection with foreclosure and Midwest has complied with requirements regarding environmental testing of any property owned by Midwest or First National as requested by Peoples in accordance with the terms of the Merger Agreement;
- Midwest shall have procured a policy of directors' and officers' liability insurance in accordance with the terms of the Merger Agreement;
- Midwest shall have terminated any lease (written or oral) for the property located at 120 N. Ohio Avenue, Wellston, Ohio 45692, and such property shall be vacant at the effective time of the Merger;
- Midwest shall have terminated and been released from any and all obligations under the branch construction contract and any other agreement and/or arrangement for the construction of a new branch in Jackson County, Ohio and provided evidence of such termination to Peoples; and
- there must not have occurred any event, circumstance or development that has resulted in or could reasonably be expected to result in a material adverse effect on Midwest.

Peoples or Midwest can waive in writing any of the conditions listed above, unless the waiver is prohibited by law.

Representations and Warranties

Midwest has made representations and warranties in the Merger Agreement relating to:

- corporate organization, standing and authority;

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- capitalization;
- subsidiaries;
- corporate power;
- corporate authority and enforceability of the Merger Agreement;
- regulatory approvals;
- accuracy of financial statements, reports and internal controls;
- legal proceedings;
- regulatory actions;
- compliance with laws;
- material contracts;
- broker's and finder's fees;
- employee benefit plans;
- labor matters;
- takeover laws;
- environmental matters;
- tax matters;
- risk management instruments;
- books and records;
- insurance;
- title properties and assets;
- loans and insider transactions;
- allowance for loan losses;
- repurchase agreements;
- investment portfolio;
- deposit insurance;
- The Bank Secrecy Act, anti-money laundering and Office of Foreign Assets Control and customer information;
- Community Reinvestment Act;
- related party transactions;
- prohibited payments;
- Austin Associates' fairness opinion;
- absence of undisclosed liabilities;
- material adverse effect; and
- disclosures.

Peoples has made representations and warranties in the Merger Agreement relating to:

- corporate organization, standing and authority;
- capitalization;
- subsidiaries;
- ownership of Midwest's common shares;
- corporate power;
- corporate authority and enforceability of the Merger Agreement;
- accuracy of financial statement, reports and SEC documents;
- regulatory matters;
- legal proceedings;
- compliance with laws;
- deposit insurance;
- absence of undisclosed liabilities;

- regulatory approvals;
- broker’s and finder’s fees; and
- disclosures.

Midwest’s Conduct of Business Pending the Merger

From the date of the Merger Agreement until the effective time of the Merger, except as expressly contemplated or permitted by the Merger Agreement or required by any applicable law, regulatory order or regulation, without the prior written consent of Peoples, which consent shall not be unreasonably withheld, Midwest and First National must conduct the business of Midwest and First National in the ordinary and usual course and use reasonable efforts to preserve intact their respective business organizations and assets and maintain their respective rights, franchises and existing relations with customers, suppliers, employees and business associates, and not (i) voluntarily take any action which, at the time taken, is reasonably likely to have an adverse effect upon Midwest's ability to perform any of its material obligations under the Merger Agreement or prevent or materially delay the consummation of the transactions contemplated by the Merger Agreement, or (ii) enter into any new line of business or materially change its lending, investment, underwriting, risk, asset liability management or other banking and operating policies, except as required by applicable law or policies imposed by any governmental authority or by any applicable regulatory order.

During the same period, Midwest has agreed not to, and to cause First National not to, take any of the following actions without the prior written consent of Peoples, which consent shall not be unreasonably withheld, except as otherwise expressly contemplated or permitted by the Merger Agreement or required by any applicable law, regulatory order or regulation:

- issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional shares of Midwest's common stock or enter into any agreement with respect to the same;

- permit any additional shares of Midwest's common stock to become subject to new grants of employee or director stock options or similar stock-based employee rights;

- effect any recapitalization, reclassification, stock split, or similar change in capitalization;

- make, declare, pay or set aside for payment any dividend or distribution on any shares of its common stock, other than dividends from First National to Midwest and dividends on Midwest's common shares in the amount of $0.50 per share for the time period of January 1, 2014 through May 31, 2014, prorated if the effective time of the Merger occurs prior to May 31, 2014, or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, any shares of its common stock;

- enter into, modify, amend, renew or terminate any employment, consulting, severance, retention, change in control or similar agreements or arrangements with directors, consultants, officers or employees of Midwest or First National;

- hire or engage any full-time employee or consultant, other than as replacements for positions then existing;

- grant any salary or wage increase or bonus or increase any employee benefit (including incentive or bonus payments), except for: (i) changes that are required by applicable law, (ii) bonuses to be paid at or prior to the effective time of the Merger which Midwest has been accruing for on a month to month basis; provided, however, that such amount to be accrued for monthly does not exceed $1,750 per month; and (iii) certain retention payments to be paid to certain employees of First National at such time and in such individual amounts as mutually agreed to between Midwest and Peoples;

- enter into, establish, adopt, amend, modify or terminate any pension, retirement, stock option, phantom stock, stock purchase, savings, profit sharing, deferred compensation, change in control, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement or similar arrangement, with respect to any director, officer or employee of Midwest or any of its subsidiaries, except as may be required by law, as contemplated in the Merger Agreement or to renew insurance contracts;

- sell, transfer, mortgage, pledge, encumber or otherwise dispose of or discontinue any of its assets, deposits, business or properties other than in the ordinary course of business for full and fair consideration actually received;

- acquire (other than by way of foreclosure or acquisition of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith and in the ordinary and usual course of business consistent with past practice) all or any portion of the assets, business, deposits or properties of any other entity, except in the usual and ordinary course of operating a community bank;

- amend the organizational documents of Midwest or of First National;

- implement or adopt any change in its accounting principles, practices or methods other than as required by generally accepted accounting principles;

- enter into or terminate any material contract, or amend or modify any material contract in any material respect, except in the ordinary course of business consistent with past practice;

- settle any claim, action or proceeding, except for any claim, action or proceeding which does not involve precedent for other material claims, actions or proceedings and which involves solely money damages in an amount, individually not to exceed $25,000 or in the aggregate not to exceed $50,000 for all such settlements;

- take any action that is intended or is reasonably likely to result in any representations or warranties in the Merger Agreement being or becoming untrue in any material respect at any time at or prior to the effective time of the Merger, any conditions in the Merger Agreement not being satisfied or a material violation of any provision of the Merger Agreement except, in each case, as may be required by applicable law, rule or regulation;

- except pursuant to applicable law or as required by any governmental authority, implement or adopt any material change in its interest rate and other risk management policies, procedures or practices, fail to follow its existing policies or practices with respect to managing its exposure to interest rate and other risk, fail to use commercially reasonable means to avoid any material increase in its aggregate exposure to interest rate risk or fail to follow its existing policies or practices with respect to managing its fiduciary risks;

- borrow or agree to borrow any funds, including but not limited to pursuant to repurchase transactions, or directly or indirectly guarantee or agree to guarantee any obligations of any other person, except in each case in the ordinary course of business and with a final maturity of less than one year;

- make or purchase any indirect or brokered loans, other than existing indirect relationships with auto dealers;

- purchase from or sell to any financial institution or other non-depository lender an interest in a loan and/or other type of credit facility, except for such credit facilities made to borrowers in the State of Ohio which are secured by collateral located in the State of Ohio in the ordinary course and consistent with past practices;

- make any capital expenditure or capital additions or improvements which individually exceed $5,000 or in the aggregate exceed $15,000;

- establish any new lending programs or make any changes in the policies of First National concerning which persons may approve loans, or originate or issue a commitment to originate any loan in a principal amount in excess of $500,000;

- fail to prepare and file or cause to be prepared and filed in a timely manner consistent with past practice all tax returns that are required to be filed at or before the effective time of the Merger, fail to pay any tax shown as due, or required to be shown as due, on any such tax return, make, change or revoke any tax election or tax accounting method, file any amended tax return, settle any tax claim or assessment, consent to the extension or waiver of any statute of limitations with respect to taxes or offer or agree to do any of the foregoing or surrender its rights to any of the foregoing or to claim any tax refund or file any amended tax return;

- open, close or relocate any offices at which business is conducted (including any ATMs), or fail to use commercially reasonable efforts to maintain and keep their respective properties and facilities in their present condition and working order, ordinary wear and tear excepted;

- increase or decrease the rate of interest paid on time deposits or certificates of deposit, except in a manner consistent with past practices in relation to rates prevailing in the relevant market;

- foreclose upon or otherwise take title to or possession or control of any real property or entity on such property without first obtaining a Phase I Environmental Site Assessment which indicates that the property is free of hazardous material, except that no such report will be required to be obtained with respect to single-family residential real property of one acre or less to be foreclosed upon unless Midwest or First National has reason to believe such real property may contain any such hazardous material;
- cause any material change in the amount or general composition of deposit liabilities; or
- agree or commit to do any of the foregoing.

Expenses of the Merger

Peoples and Midwest are each required to bear their own expenses incurred in connection with the Merger Agreement and the transactions contemplated by the Merger Agreement. All fees, if any, to be paid to regulatory authorities in connection with the transactions contemplated by the Merger Agreement will be shared equally between Peoples and Midwest.

Termination of the Merger Agreement

Termination by mutual consent. Pursuant to the Merger Agreement, Peoples and Midwest may mutually consent to terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective, if the board of directors of each organization approves the termination by vote of a majority of the members of its entire board of directors.

Termination by either Peoples or Midwest. Either Peoples or Midwest acting alone upon written notice to the other party may terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective, if the board of directors of either company approves the termination by vote of a majority of the members of its board of directors in the following circumstances:

- if there is a material breach by the other party of any representation, warranty, covenant or agreement contained in the Merger Agreement that cannot be or has not been cured by the breaching party within 30 days of after the giving of written notice to the breaching party of such breach;
- if the merger has not been consummated by July 31, 2014, unless the failure to complete the Merger by that date is due to the knowing action or inaction of the party seeking to terminate the Merger Agreement;
- if the approval of any governmental authority required for consummation of the Merger and the other transactions contemplated by the Merger Agreement has been denied;
- if the Midwest shareholders fail to adopt and approve the Merger Agreement at the special meeting; or
- pursuant to the payment of the termination fee described in “Acquisition Proposals and Termination Fee.”

In the event that the Merger Agreement is terminated and the Merger abandoned, neither Midwest nor Peoples will have any liability or further obligation to the other party, except for continued compliance with certain surviving covenants and agreements identified in the Merger Agreement. In addition, the termination of the Merger Agreement will not relieve a breaching party from liability for any willful breach of the Merger Agreement giving rise to such termination.

Voting Agreements

Under the Merger Agreement, the directors of Midwest each executed a voting agreement pursuant to which they agreed to vote their shares, and to use reasonable efforts to cause all shares owned by such director jointly with another person or by such director’s spouse to be voted, in favor of the Merger.

Acquisition Proposals and Termination Fee

Pursuant to the Merger Agreement, Midwest may not, and must cause First National and its officers, directors, employees and other agents not to, directly or indirectly take any action to solicit or initiate inquiries or proposals with respect to, or engage in negotiations concerning, or provide any confidential information to, any person other than Peoples relating to any sale of all or substantially all of the assets of Midwest and/or First National or any merger, consolidation or business combination with Midwest and/or First National, unless (i) Midwest’s board of directors, after consultation with and based upon the advice of legal counsel, determines in good faith that it must enter into negotiations or discussions with another party that has made an unsolicited acquisition proposal in order to fulfill its fiduciary duties to Midwest shareholders under applicable law and (ii) before furnishing any information to, or entering into discussions or negotiations with another party Midwest provides immediate written notice to Peoples of such action, the identity of the bidder and the substance of such unsolicited acquisition proposal.

In the event that Midwest and/or First National executes a definitive agreement in respect of, or closes, any acquisition or purchase of all or substantially all of the assets of Midwest and/or First National or any merger, consolidation or business combination business with any party other than Peoples, Midwest must pay to Peoples in immediately available funds the sum of $504,350 immediately after the earlier of such execution or closing.

Amendment

The Merger Agreement may be amended or modified at any time prior to the effective time of the Merger by an agreement in writing signed by Peoples and Midwest, except that the Merger Agreement may not be amended after the Midwest special meeting if such amendment would violate Ohio law.

COMPARISON OF CERTAIN RIGHTS OF MIDWEST AND PEOPLES SHAREHOLDERS

Certain shareholders of Midwest will receive Peoples' common shares in the Merger and, therefore, will become shareholders of Peoples. Their rights as shareholders of Peoples will be governed by the Ohio Revised Code and by Peoples' Amended and Restated Articles of Incorporation and Regulations, while Midwest shareholders are currently governed by Ohio law and by Midwest's Amended and Restated Articles of Incorporation and Regulations. Although the rights of the holders of Peoples' common shares and those of the holders of shares of Midwest's common stock are similar in many respects, there are some differences. These differences relate to differences between provisions of the Amended and Restated Articles of Incorporation of Peoples and the Amended and Restated Articles of Incorporation of Midwest, and differences between provisions of the Regulations of Peoples and the Regulations of Midwest.

The following chart compares certain rights of the holders of shares of Midwest's common stock to the rights of holders of Peoples' common shares in areas where those rights are materially different. This summary, however, does not purport to be a complete description of such differences and is qualified in its entirety by reference to the relevant provisions of Ohio law and the respective corporate governance instruments of Midwest and Peoples.

Midwest Bancshares, Inc.	Peoples Bancorp Inc.
Authorized Capital Stock	
Authorized Capital. Midwest's Amended and Restated Articles of Incorporation authorizes Midwest to issue up to 500,000 shares of common stock, without par value.	Authorized Capital. Peoples' Amended and Restated Articles of Incorporation authorizes Peoples to issue up to (i) 50,000 shares of preferred stock, without par value, and (ii) 24,000,000 shares of common stock, without par value.
As of the record date, there were 192,500 shares of Midwest's common stock outstanding.	As of the record date, there were no preferred shares outstanding, and there were 10,657,734 common shares outstanding.
Board of Directors	
Number of Directors. According to Midwest's Regulations, the number of directors shall not be less than five and not more than twenty-five and is currently set at five.	Number of Directors. The number of directors of Peoples is currently fixed at eleven.
The directors can increase the number of directors by up to three directors between shareholders meetings.	The directors can change the number of directors by a resolution adopted by a majority of the Peoples board of directors, but cannot increase the number of directors to more than fifteen or reduce the number of directors to less than nine.
Classification of Directors. Midwest's Amended and Restated Articles of Incorporate and Regulations do not include any provision related to the classification of directors. Each director is elected each year at the annual meeting of shareholders. All directors are elected for one year and stand for election each year at annual meeting.	Classification of Directors. Peoples' Regulations provides for a classified board of directors with three classes with approximately one-third of its board of directors elected each year at the annual meeting of shareholders.

Removal of Directors. Midwest's Regulations allows for directors to be removed at any time, with or without cause, by the affirmative vote of a majority of the shareholders entitled to vote.	Removal of Directors. Peoples' Regulations allows for directors to be removed at any time by the affirmative vote of seventy-five percent of the shareholders entitled to vote.

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Special Meetings	
Calling Special Meetings of Shareholders. Under Midwest's Regulations, a special meeting of the shareholders may be called by the chairman of the board of directors, if any exists; the president; by a majority of the directors acting with or without a meeting; or by the shareholders which hold 25% of all voting power of the outstanding shares.	Calling Special Meetings of Shareholders. Under Peoples' Regulations, a special meeting of the shareholders may be called by the chairman of the board of directors; the president or, in case of the president's absence, death, or disability, the vice president authorized to act as president; the secretary; the directors by action at a meeting; a majority of the directors acting without a meeting; or shareholders which hold at least a majority of all shares outstanding and entitled to vote.
Notice of Shareholder Meetings. Written Notice of the shareholder's meeting must be sent to the shareholders no less than ten days prior and no more than 60 days prior to the meeting.	Notice of Shareholder Meetings. Written Notice of the shareholder's meeting must be sent to the shareholders no less than seven days prior and no more than 60 days prior to the meeting.
If the president or secretary does not call the shareholder meeting within five days of receiving a request in writing for a shareholder's meeting, the shareholder may give notice of that meeting in accordance with Midwest's Regulations.	If a special meeting has been called and the president or secretary of Peoples fails to give notice within 15 days of receiving a request to call that special meeting, the persons calling that special meeting may give notice of that meeting in accordance with Peoples' Regulations.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF MIDWEST

The following table sets forth information with respect to the shares of Midwest's common stock beneficially owned by each director of Midwest, by certain executive officers of Midwest and First National, and by all directors and executive officers of Midwest and First National as a group as of April 1, 2014. Except as otherwise indicated, each person shown in the table has sole or shared voting and investment power with respect to the common shares indicated. The business address of each director and executive officer is 101 East A Street, Wellston, Ohio 45692.

Name and Position(s) of Director or Executive Officer	Number of Shares of Common Stock Beneficially Owned	Percent of Common Stock Outstanding
Randall R. Adams, Director of Midwest and First National	100	0.05%
Richard H Billman II, Chairman of the Board of Directors of Midwest and First National	11,250	5.84%
Matthew Fields, Director of Midwest, and First National(1)	100	0.05%
Lawrence A. Heiser, Director of Midwest and First National(1)	2,120	1.1%
Anthony S. Thorne, President and CEO of Midwest and First National(1)	1,641	0.85%
David Ratz, Vice President of Midwest(1)	175	0.09%
Brenda Branscom, Vice President of First National(1)	229	0.12%
All directors and executive officers as a group (7 persons)	16,019	8.32%

(1) Owned jointly with spouse

EXPERTS

The consolidated financial statements of Peoples appearing in Peoples' Annual Report on Form 10-K for the year ended December 31, 2013, and the effectiveness of Peoples' internal control over financial reporting as of December 31, 2013 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included in such Annual Report and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

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LEGAL MATTERS

Dinsmore & Shohl LLP has rendered an opinion that the shares of Peoples' common stock to be issued to the Midwest shareholders in connection with the Merger have been duly authorized and, if issued as contemplated by the Merger Agreement, will be validly issued, fully paid and non-assessable under the laws of the State of Ohio.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows Peoples to incorporate certain information into this document by reference to other information that has been filed with the SEC. The information incorporated by reference is deemed to be part of this document, except for any information that is superseded by information in this document. The documents that are incorporated by reference contain important information about the companies and you should read this document together with any other documents incorporated by reference in this document.

This document incorporates by reference the following documents that have previously been filed with the SEC by Peoples (File No. 000-16772):

- Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 27, 2014;

- Definitive Proxy Statement on Schedule 14A filed with the SEC on March 14, 2014;