

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

Commission File Number: 000-16772



**PEOPLES BANCORP INC.**

(Exact name of Registrant as specified in its charter)

**Ohio**

(State or other jurisdiction of incorporation or organization)

**138 Putnam Street, P.O. Box 738,  
Marietta, Ohio**

(Address of principal executive offices)

Registrant's telephone number, including area code:

**31-0987416**

(I.R.S. Employer Identification No.)

**45750**

(Zip Code)

**(740) 373-3155**

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class              | Trading Symbol(s) | Name of each exchange on which registered |
|----------------------------------|-------------------|-------------------------------------------|
| Common Shares, without par value | PEBO              | The Nasdaq Stock Market                   |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

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

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 35,508,377 common shares, without par value, at July 31, 2024.

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## PART I - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

#### PEOPLES BANCORP INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

|                                                                                                                                                                                                        | June 30,<br>2024    | December 31,<br>2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
|                                                                                                                                                                                                        | (Unaudited)         |                      |
| <i>(Dollars in thousands)</i>                                                                                                                                                                          |                     |                      |
| <b>Assets</b>                                                                                                                                                                                          |                     |                      |
| Cash and cash equivalents:                                                                                                                                                                             |                     |                      |
| Cash and balances due from banks                                                                                                                                                                       | \$ 119,981          | \$ 111,680           |
| Interest-bearing deposits in other banks                                                                                                                                                               | 115,890             | 315,040              |
| Total cash and cash equivalents                                                                                                                                                                        | 235,871             | 426,720              |
| Available-for-sale investment securities, at fair value (amortized cost of \$ 1,266,060 at June 30, 2024 and \$ 1,184,288 at December 31, 2023) (a)                                                    | 1,119,139           | 1,048,320            |
| Held-to-maturity investment securities, at amortized cost (fair value of \$ 622,593 at June 30, 2024 and \$ 612,022 at December 31, 2023) (a)                                                          | 701,984             | 683,650              |
| Other investment securities                                                                                                                                                                            | 62,742              | 63,420               |
| Total investment securities (a)                                                                                                                                                                        | 1,883,865           | 1,795,400            |
| Loans and leases, net of deferred fees and costs (b)                                                                                                                                                   | 6,325,371           | 6,159,190            |
| Allowance for credit losses                                                                                                                                                                            | ( 66,247 )          | ( 62,010 )           |
| Net loans and leases (c)                                                                                                                                                                               | 6,259,124           | 6,097,180            |
| Loans held for sale                                                                                                                                                                                    | 3,832               | 1,860                |
| Bank premises and equipment, net of accumulated depreciation                                                                                                                                           | 106,589             | 103,850              |
| Bank owned life insurance                                                                                                                                                                              | 142,605             | 140,550              |
| Goodwill                                                                                                                                                                                               | 362,169             | 362,160              |
| Other intangible assets                                                                                                                                                                                | 44,248              | 50,000               |
| Other assets                                                                                                                                                                                           | 188,158             | 179,620              |
| <b>Total assets</b>                                                                                                                                                                                    | <b>\$ 9,226,461</b> | <b>\$ 9,157,380</b>  |
| <b>Liabilities</b>                                                                                                                                                                                     |                     |                      |
| Deposits:                                                                                                                                                                                              |                     |                      |
| Non-interest-bearing                                                                                                                                                                                   | \$ 1,472,697        | \$ 1,567,640         |
| Interest-bearing                                                                                                                                                                                       | 5,825,077           | 5,584,640            |
| Total deposits                                                                                                                                                                                         | 7,297,774           | 7,152,290            |
| Short-term borrowings                                                                                                                                                                                  | 482,733             | 601,120              |
| Long-term borrowings                                                                                                                                                                                   | 234,257             | 216,240              |
| Accrued expenses and other liabilities                                                                                                                                                                 | 133,864             | 134,180              |
| <b>Total liabilities</b>                                                                                                                                                                               | <b>8,148,628</b>    | <b>8,103,840</b>     |
| <b>Stockholders' equity</b>                                                                                                                                                                            |                     |                      |
| Preferred shares, no par value, 50,000 shares authorized, no shares issued at June 30, 2024 or at December 31, 2023                                                                                    | —                   | —                    |
| Common shares, no par value, 50,000,000 shares authorized, 36,760,516 shares issued at June 30, 2024 and 36,736,041 shares issued at December 31, 2023, including at each date shares held in treasury | 863,975             | 865,220              |
| Retained earnings                                                                                                                                                                                      | 357,886             | 327,230              |
| Accumulated other comprehensive loss, net of deferred income taxes                                                                                                                                     | ( 110,193 )         | ( 101,590 )          |
| Treasury stock, at cost, 1,347,476 shares at June 30, 2024 and 1,511,348 shares at December 31, 2023                                                                                                   | ( 33,835 )          | ( 37,340 )           |
| <b>Total stockholders' equity</b>                                                                                                                                                                      | <b>1,077,833</b>    | <b>1,053,530</b>     |
| <b>Total liabilities and stockholders' equity</b>                                                                                                                                                      | <b>\$ 9,226,461</b> | <b>\$ 9,157,380</b>  |

(a) Available-for-sale investment securities and held-to-maturity investment securities are presented net of allowance for credit losses of \$ 0 and \$ 238 , respectively, at June 30, 2024, and \$ 0 and \$ 238 , respectively, at December 31, 2023.

(b) Also referred to throughout this Quarterly Report on Form 10-Q as "total loans" and "loans held for investment."

(c) Also referred to throughout this Quarterly Report on Form 10-Q as "net loans."

See Notes to the Unaudited Condensed Consolidated Financial Statements

**PEOPLES BANCORP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

|                                                                  | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|------------------------------------------------------------------|--------------------------------|------------------|------------------------------|------------------|
| (Dollars in thousands, except per share data)                    | 2024                           | 2023             | 2024                         | 2023             |
| <b>Interest income:</b>                                          |                                |                  |                              |                  |
| Interest and fees on loans and leases                            | \$ 112,433                     | 91,848           | \$ 223,182                   | \$ 163,610       |
| Interest and dividends on taxable investment securities          | 14,841                         | 12,771           | 28,760                       | 23,774           |
| Interest on tax-exempt investment securities                     | 994                            | 1,125            | 1,997                        | 2,121            |
| Other interest income                                            | 2,502                          | 673              | 4,424                        | 1,061            |
| Total interest income                                            | 130,770                        | 106,417          | 258,363                      | 190,566          |
| <b>Interest expense:</b>                                         |                                |                  |                              |                  |
| Interest on deposits                                             | 35,659                         | 14,403           | 68,963                       | 20,064           |
| Interest on short-term borrowings                                | 4,978                          | 5,314            | 9,162                        | 9,771            |
| Interest on long-term borrowings                                 | 3,520                          | 1,847            | 6,985                        | 3,000            |
| Total interest expense                                           | 44,157                         | 21,564           | 85,110                       | 32,835           |
| Net interest income                                              | 86,613                         | 84,853           | 173,253                      | 157,731          |
| Provision for credit losses                                      | 5,683                          | 7,983            | 11,785                       | 9,836            |
| Net interest income after provision for credit losses            | 80,930                         | 76,870           | 161,468                      | 147,895          |
| <b>Non-interest income:</b>                                      |                                |                  |                              |                  |
| Electronic banking income                                        | 6,470                          | 6,466            | 12,516                       | 11,909           |
| Trust and investment income                                      | 4,999                          | 4,414            | 9,598                        | 8,498            |
| Deposit account service charges                                  | 4,339                          | 4,153            | 8,562                        | 7,676            |
| Insurance income                                                 | 4,109                          | 4,004            | 10,607                       | 9,429            |
| Lease income                                                     | 1,116                          | 1,719            | 2,352                        | 2,796            |
| Bank owned life insurance income                                 | 1,037                          | 842              | 2,537                        | 1,549            |
| Mortgage banking income                                          | 243                            | 189              | 564                          | 503              |
| Net loss on investment securities                                | ( 353 )                        | ( 166 )          | ( 354 )                      | ( 2,101 )        |
| Net loss on asset disposals and other transactions               | ( 428 )                        | ( 1,665 )        | ( 769 )                      | ( 1,911 )        |
| Other non-interest income                                        | 2,172                          | 1,059            | 3,870                        | 1,727            |
| Total non-interest income                                        | 23,704                         | 21,015           | 49,483                       | 40,075           |
| <b>Non-interest expense:</b>                                     |                                |                  |                              |                  |
| Salaries and employee benefit costs                              | 36,564                         | 38,025           | 75,457                       | 70,053           |
| Data processing and software expense                             | 6,743                          | 4,728            | 12,512                       | 9,290            |
| Net occupancy and equipment expense                              | 6,142                          | 5,380            | 12,425                       | 10,335           |
| Professional fees                                                | 2,935                          | 7,438            | 5,902                        | 10,319           |
| Amortization of other intangible assets                          | 2,787                          | 2,800            | 5,575                        | 4,671            |
| Electronic banking expense                                       | 1,941                          | 1,832            | 3,722                        | 3,323            |
| Federal Deposit Insurance Corporation ("FDIC") insurance expense | 1,251                          | 1,464            | 2,437                        | 2,265            |
| Other loan expenses                                              | 1,036                          | 538              | 2,112                        | 1,277            |
| Franchise tax expense                                            | 760                            | 872              | 1,641                        | 1,906            |
| Communication expense                                            | 736                            | 724              | 1,535                        | 1,337            |
| Marketing expense                                                | 681                            | 1,357            | 1,737                        | 2,287            |
| Other non-interest expense                                       | 7,182                          | 5,465            | 12,168                       | 10,039           |
| Total non-interest expense                                       | 68,758                         | 70,623           | 137,223                      | 127,102          |
| Income before income taxes                                       | 35,876                         | 27,262           | 73,728                       | 60,868           |
| Income tax expense                                               | 6,869                          | 6,166            | 15,137                       | 13,212           |
| <b>Net income</b>                                                | <b>\$ 29,007</b>               | <b>\$ 21,096</b> | <b>\$ 58,591</b>             | <b>\$ 47,656</b> |
| Earnings per common share - basic                                | \$ 0.83                        | \$ 0.64          | \$ 1.67                      | \$ 1.57          |
| Earnings per common share - diluted                              | \$ 0.82                        | \$ 0.64          | \$ 1.66                      | \$ 1.56          |
| Weighted-average number of common shares outstanding - basic     | 34,764,489                     | 32,526,962       | 34,752,419                   | 30,222,165       |
| Weighted-average number of common shares outstanding - diluted   | 35,117,648                     | 32,649,976       | 35,071,550                   | 30,314,504       |
| Cash dividends declared                                          | \$ 14,197                      | \$ 13,422        | \$ 27,942                    | \$ 24,147        |
| Cash dividends declared per common share                         | \$ 0.40                        | \$ 0.39          | \$ 0.79                      | \$ 0.77          |

See Notes to the Unaudited Condensed Consolidated Financial Statements

PEOPLES BANCORP INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

|                                                                     | Three Months Ended |                  | Six Months Ended |                  |
|---------------------------------------------------------------------|--------------------|------------------|------------------|------------------|
|                                                                     | June 30,           |                  | June 30,         |                  |
| (Dollars in thousands)                                              | 2024               | 2023             | 2024             | 2023             |
| Net income                                                          | \$ 29,007          | \$ 21,096        | \$ 58,591        | \$ 47,656        |
| Other comprehensive (loss) income:                                  |                    |                  |                  |                  |
| <u>Available-for-sale investment securities:</u>                    |                    |                  |                  |                  |
| Gross unrealized holding (loss) gain arising during the period      | ( 1,422 )          | ( 12,034 )       | ( 11,309 )       | 8,328            |
| Related tax benefit (expense)                                       | 236                | 3,154            | 2,576            | ( 1,493 )        |
| Reclassification adjustment for net loss included in net income     | 353                | 166              | 354              | 2,101            |
| Related tax expense                                                 | ( 82 )             | ( 43 )           | ( 82 )           | ( 495 )          |
| Net effect on other comprehensive (loss) income                     | ( 915 )            | ( 8,757 )        | ( 8,461 )        | 8,441            |
| <u>Defined benefit plan:</u>                                        |                    |                  |                  |                  |
| Amortization of unrecognized loss and service cost on benefit plans | —                  | 7                | —                | 9                |
| Related tax benefit                                                 | —                  | ( 2 )            | —                | ( 2 )            |
| Net effect on other comprehensive (loss) income                     | —                  | 5                | —                | 7                |
| <u>Cash flow hedges:</u>                                            |                    |                  |                  |                  |
| Net (loss) gain arising during the period                           | ( 443 )            | 1,073            | ( 187 )          | ( 283 )          |
| Related tax benefit (expense)                                       | 105                | ( 262 )          | 45               | 51               |
| Net effect on other comprehensive (loss) income                     | ( 338 )            | 811              | ( 142 )          | ( 232 )          |
| Total other comprehensive (loss) income, net of tax                 | ( 1,253 )          | ( 7,941 )        | ( 8,603 )        | 8,216            |
| <b>Total comprehensive income</b>                                   | <b>\$ 27,754</b>   | <b>\$ 13,155</b> | <b>\$ 49,988</b> | <b>\$ 55,872</b> |

See Notes to the Unaudited Condensed Consolidated Financial Statements

PEOPLES BANCORP INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

| <i>(Dollars in thousands)</i>                                                                                            | Common Shares     | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock     | Total Stockholders' Equity |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|--------------------------------------|--------------------|----------------------------|
| <b>Balance, March 31, 2024</b>                                                                                           | <b>\$ 861,925</b> | <b>\$ 343,076</b> | <b>\$ (108,940)</b>                  | <b>\$ (34,059)</b> | <b>\$ 1,062,002</b>        |
| Net income                                                                                                               | —                 | 29,007            | —                                    | —                  | 29,007                     |
| Other comprehensive loss, net of tax                                                                                     | —                 | —                 | (1,253)                              | —                  | (1,253)                    |
| Cash dividends declared                                                                                                  | —                 | (14,197)          | —                                    | —                  | (14,197)                   |
| Reissuance of treasury stock for common share awards                                                                     | 264               | —                 | —                                    | (264)              | —                          |
| Reissuance of treasury stock for deferred compensation plan for Boards of Directors                                      | —                 | —                 | —                                    | 342                | 342                        |
| Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors | —                 | —                 | —                                    | (182)              | (182)                      |
| Common shares issued under dividend reinvestment plan                                                                    | 419               | —                 | —                                    | —                  | 419                        |
| Common shares issued under compensation plan for Boards of Directors                                                     | 21                | —                 | —                                    | 102                | 123                        |
| Common shares issued under employee stock purchase plan                                                                  | 34                | —                 | —                                    | 226                | 260                        |
| Stock-based compensation                                                                                                 | 1,312             | —                 | —                                    | —                  | 1,312                      |
| <b>Balance, June 30, 2024</b>                                                                                            | <b>\$ 863,975</b> | <b>\$ 357,886</b> | <b>\$ (110,193)</b>                  | <b>\$ (33,835)</b> | <b>\$ 1,077,833</b>        |

| <i>(Dollars in thousands)</i>                                                                                            | Common Shares     | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock     | Total Stockholders' Equity |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|--------------------------------------|--------------------|----------------------------|
| <b>Balance, December 31, 2023</b>                                                                                        | <b>\$ 865,227</b> | <b>\$ 327,237</b> | <b>\$ (101,590)</b>                  | <b>\$ (37,340)</b> | <b>\$ 1,053,534</b>        |
| Net income                                                                                                               | —                 | 58,591            | —                                    | —                  | 58,591                     |
| Other comprehensive loss, net of tax                                                                                     | —                 | —                 | (8,603)                              | —                  | (8,603)                    |
| Cash dividends declared                                                                                                  | —                 | (27,942)          | —                                    | —                  | (27,942)                   |
| Reissuance of treasury stock for common share awards                                                                     | (6,598)           | —                 | —                                    | 6,598              | —                          |
| Reissuance of treasury stock for deferred compensation plan for Boards of Directors                                      | —                 | —                 | —                                    | 342                | 342                        |
| Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors | —                 | —                 | —                                    | (1,051)            | (1,051)                    |
| Common shares repurchased under share repurchase program                                                                 | —                 | —                 | —                                    | (3,000)            | (3,000)                    |
| Common shares issued under dividend reinvestment plan                                                                    | 874               | —                 | —                                    | —                  | 874                        |
| Common shares issued under compensation plan for Boards of Directors                                                     | 42                | —                 | —                                    | 219                | 261                        |
| Common shares issued under employee stock purchase plan                                                                  | 94                | —                 | —                                    | 397                | 491                        |
| Stock-based compensation                                                                                                 | 4,336             | —                 | —                                    | —                  | 4,336                      |
| <b>Balance, June 30, 2024</b>                                                                                            | <b>\$ 863,975</b> | <b>\$ 357,886</b> | <b>\$ (110,193)</b>                  | <b>\$ (33,835)</b> | <b>\$ 1,077,833</b>        |

| <i>(Dollars in thousands)</i>                                                                                            | Common Shares     | Retained Earnings | Accumulated Other<br>Comprehensive Loss | Treasury Stock     | Total Stockholders'<br>Equity |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-----------------------------------------|--------------------|-------------------------------|
| <b>Balance, March 31, 2023</b>                                                                                           | <b>\$ 684,367</b> | <b>\$ 281,771</b> | <b>\$ (110,979)</b>                     | <b>\$ (35,616)</b> | <b>\$ 819,543</b>             |
| Net income                                                                                                               | —                 | 21,096            | —                                       | —                  | 21,096                        |
| Other comprehensive loss, net of tax                                                                                     | —                 | —                 | (7,941)                                 | —                  | (7,941)                       |
| Cash dividends declared                                                                                                  | —                 | (13,422)          | —                                       | —                  | (13,422)                      |
| Reissuance of treasury stock for common share awards                                                                     | (725)             | —                 | —                                       | 725                | —                             |
| Reissuance of treasury stock for deferred compensation plan for Boards of Directors                                      | —                 | —                 | —                                       | 115                | 115                           |
| Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors | —                 | —                 | —                                       | (134)              | (134)                         |
| Common shares issued under dividend reinvestment plan                                                                    | 350               | —                 | —                                       | —                  | 350                           |
| Common shares issued under compensation plan for Boards of Directors                                                     | 11                | —                 | —                                       | 124                | 135                           |
| Common shares issued under employee stock purchase plan                                                                  | 19                | —                 | —                                       | 208                | 227                           |
| Stock-based compensation                                                                                                 | 1,009             | —                 | —                                       | —                  | 1,009                         |
| Issuance of common shares related to merger with Limestone Bancorp, Inc.                                                 | 177,929           | —                 | —                                       | —                  | 177,929                       |
| <b>Balance, June 30, 2023</b>                                                                                            | <b>\$ 862,960</b> | <b>\$ 289,445</b> | <b>\$ (118,920)</b>                     | <b>\$ (34,578)</b> | <b>\$ 998,907</b>             |

| <i>(Dollars in thousands)</i>                                                                                            | Common Shares     | Retained Earnings | Accumulated Other<br>Comprehensive Loss | Treasury Stock     | Total Stockholders'<br>Equity |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-----------------------------------------|--------------------|-------------------------------|
| <b>Balance, December 31, 2022</b>                                                                                        | <b>\$ 686,450</b> | <b>\$ 265,936</b> | <b>\$ (127,136)</b>                     | <b>\$ (39,922)</b> | <b>\$ 785,328</b>             |
| Net income                                                                                                               | —                 | 47,656            | —                                       | —                  | 47,656                        |
| Other comprehensive income, net of tax                                                                                   | —                 | —                 | 8,216                                   | —                  | 8,216                         |
| Cash dividends declared                                                                                                  | —                 | (24,147)          | —                                       | —                  | (24,147)                      |
| Reissuance of treasury stock for common share awards                                                                     | (5,410)           | —                 | —                                       | 5,410              | —                             |
| Reissuance of treasury stock for deferred compensation plan for Boards of Directors                                      | —                 | —                 | —                                       | 115                | 115                           |
| Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors | —                 | —                 | —                                       | (1,054)            | (1,054)                       |
| Common shares issued under dividend reinvestment plan                                                                    | 752               | —                 | —                                       | —                  | 752                           |
| Common shares issued under compensation plan for Boards of Directors                                                     | 19                | —                 | —                                       | 252                | 271                           |
| Common shares issued under employee stock purchase plan                                                                  | 61                | —                 | —                                       | 621                | 682                           |
| Stock-based compensation                                                                                                 | 3,159             | —                 | —                                       | —                  | 3,159                         |
| Issuance of common shares related to merger with Limestone Bancorp, Inc.                                                 | 177,929           | —                 | —                                       | —                  | 177,929                       |
| <b>Balance, June 30, 2023</b>                                                                                            | <b>\$ 862,960</b> | <b>\$ 289,445</b> | <b>\$ (118,920)</b>                     | <b>\$ (34,578)</b> | <b>\$ 998,907</b>             |

See Notes to the Unaudited Condensed Consolidated Financial Statements

PEOPLES BANCORP INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

| (Dollars in thousands)                                                                                                                              | Six Months Ended<br>June 30, |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------|
|                                                                                                                                                     | 2024                         | 2023              |
| <b>Net cash provided by operating activities</b>                                                                                                    | <b>\$ 69,123</b>             | <b>\$ 63,223</b>  |
| <b>Investing activities:</b>                                                                                                                        |                              |                   |
| Available-for-sale investment securities:                                                                                                           |                              |                   |
| Purchases                                                                                                                                           | ( 147,734 )                  | ( 23,913 )        |
| Proceeds from sales                                                                                                                                 | —                            | 120,396           |
| Proceeds from principal payments, calls and prepayments                                                                                             | 64,356                       | 73,318            |
| Held-to-maturity investment securities:                                                                                                             |                              |                   |
| Purchases                                                                                                                                           | ( 37,120 )                   | ( 174,335 )       |
| Proceeds from principal payments                                                                                                                    | 18,812                       | 60,672            |
| Other investment securities:                                                                                                                        |                              |                   |
| Purchases                                                                                                                                           | ( 18,327 )                   | ( 15,856 )        |
| Proceeds from sales                                                                                                                                 | 19,312                       | 9,665             |
| Net increase in loans held for investment                                                                                                           | ( 164,489 )                  | ( 184,177 )       |
| Net expenditures for premises and equipment                                                                                                         | ( 5,759 )                    | ( 7,182 )         |
| Proceeds from sales of other real estate owned                                                                                                      | —                            | 106               |
| Business acquisitions, net of cash received                                                                                                         | —                            | 91,793            |
| Proceeds from bank owned life insurance contracts                                                                                                   | 486                          | —                 |
| Investment in limited partnership and tax credit funds                                                                                              | ( 2,919 )                    | ( 1,699 )         |
| Net cash used in investing activities                                                                                                               | ( 273,382 )                  | ( 51,212 )        |
| <b>Financing activities:</b>                                                                                                                        |                              |                   |
| Net decrease in non-interest-bearing deposits                                                                                                       | ( 94,952 )                   | ( 169,495 )       |
| Net increase in interest-bearing deposits                                                                                                           | 240,446                      | 178,373           |
| Net (decrease) increase in short-term borrowings                                                                                                    | ( 118,388 )                  | 9,797             |
| Proceeds from long-term borrowings                                                                                                                  | 35,561                       | 5,004             |
| Payments on long-term borrowings                                                                                                                    | ( 18,171 )                   | ( 16,626 )        |
| Cash dividends paid                                                                                                                                 | ( 27,887 )                   | ( 24,276 )        |
| Purchase of treasury stock under share repurchase program                                                                                           | ( 3,000 )                    | —                 |
| Purchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors to be held as treasury stock | ( 1,051 )                    | ( 1,054 )         |
| Proceeds from issuance of common shares                                                                                                             | 850                          | 726               |
| Net cash provided by (used in) financing activities                                                                                                 | 13,408                       | ( 17,551 )        |
| Net decrease in cash and cash equivalents                                                                                                           | ( 190,851 )                  | ( 5,540 )         |
| Cash and cash equivalents at beginning of period                                                                                                    | 426,722                      | 154,022           |
| <b>Cash and cash equivalents at end of period</b>                                                                                                   | <b>\$ 235,871</b>            | <b>\$ 148,482</b> |
| <b>Supplemental cash flow information:</b>                                                                                                          |                              |                   |
| Interest paid                                                                                                                                       | \$ 76,909                    | \$ 27,283         |
| Income taxes paid                                                                                                                                   | 20,383                       | 29,194            |
| <b>Supplemental noncash disclosures:</b>                                                                                                            |                              |                   |
| Transfers from total loans to other real estate owned                                                                                               | 235                          | —                 |
| Noncash recognition of new leases                                                                                                                   | 621                          | 4,179             |

See Notes to the Unaudited Condensed Consolidated Financial Statements



**PEOPLES BANCORP INC. AND SUBSIDIARIES**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 Summary of Significant Accounting Policies**

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**Basis of Presentation:** The accompanying Unaudited Condensed Consolidated Financial Statements of Peoples Bancorp Inc. and its subsidiaries ("Peoples" refers to Peoples Bancorp Inc. and its consolidated subsidiaries collectively, except where the context indicates the reference relates solely to Peoples Bancorp Inc.) have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") for interim financial information and the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not contain all of the information and footnotes required by US GAAP for annual financial statements and should be read in conjunction with Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("Peoples' 2023 Form 10-K").

The accounting and reporting policies followed in the presentation of the accompanying Unaudited Condensed Consolidated Financial Statements are consistent with those described in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K, as updated by the information contained in this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (this "Form 10-Q"). Management has evaluated all significant events and transactions that occurred after June 30, 2024 for potential recognition or disclosure in these Unaudited Condensed Consolidated Financial Statements. In the opinion of management, these Unaudited Condensed Consolidated Financial Statements reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. Such adjustments are normal and recurring in nature. Intercompany accounts and transactions have been eliminated. The Consolidated Balance Sheet at December 31, 2023, contained herein, has been derived from the audited Consolidated Balance Sheet included in Peoples' 2023 Form 10-K.

The preparation of the condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Results of operations for interim periods are not necessarily indicative of the results to be expected for the full year, due in part to seasonal variations and unusual or infrequently occurring items.

**New Accounting Pronouncements:** From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by Peoples as of the required effective dates. Refer to "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K. Unless otherwise discussed, management believes the impact of any recently issued standards, including those issued but not yet effective, will not have a material impact on Peoples' financial statements taken as a whole.

**Note 2 Fair Value of Assets and Liabilities**

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Fair value represents the amount expected to be received to sell an asset or paid to transfer a liability in its principal or most advantageous market in an orderly transaction between market participants at the measurement date. In accordance with fair value accounting guidance, Peoples measures, records and reports various types of assets and liabilities at fair value on either a recurring or a non-recurring basis in the Unaudited Condensed Consolidated Financial Statements. Those assets and liabilities are presented below in the sections entitled "Assets and Liabilities Required to be Measured and Reported at Fair Value on a Recurring Basis" and "Assets and Liabilities Required to be Measured and Reported at Fair Value on a Non-Recurring Basis."

Depending on the nature of the asset or the liability, Peoples uses various valuation methodologies and assumptions to estimate fair value. The measurement of fair value under US GAAP uses a hierarchy, which is described in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K.

Assets and liabilities are assigned to a level within the fair value hierarchy based on the lowest level of significant input used to measure fair value. Assets and liabilities may change levels within the fair value hierarchy due to market conditions or other circumstances. Those transfers are recognized on the date of the event that prompted the transfer. There were no transfers of assets or liabilities required to be measured at fair value on a recurring basis between levels of the fair value hierarchy during the periods presented.

**Assets and Liabilities Required to be Measured and Reported at Fair Value on a Recurring Basis**

The following table provides the fair value for assets and liabilities required to be measured and reported at fair value on a recurring basis on the Unaudited Consolidated Balance Sheets by level in the fair value hierarchy.

| (Dollars in thousands)                    | Recurring Fair Value Measurements at Reporting Date |              |                   |              |
|-------------------------------------------|-----------------------------------------------------|--------------|-------------------|--------------|
|                                           | June 30, 2024                                       |              | December 31, 2023 |              |
|                                           | Level 1                                             | Level 2      | Level 1           | Level 2      |
| <b>Assets:</b>                            |                                                     |              |                   |              |
| Available-for-sale investment securities: |                                                     |              |                   |              |
| Obligations of:                           |                                                     |              |                   |              |
| U.S. Treasury and government agencies     | \$ 28,343                                           | \$ —         | \$ 30,296         | \$ —         |
| U.S. government sponsored agencies        | —                                                   | 230,916      | —                 | 118,607      |
| States and political subdivisions         | —                                                   | 202,804      | —                 | 213,296      |
| Residential mortgage-backed securities    | —                                                   | 601,002      | —                 | 628,924      |
| Commercial mortgage-backed securities     | —                                                   | 50,035       | —                 | 51,234       |
| Bank-issued trust preferred securities    | —                                                   | 6,039        | —                 | 5,965        |
| Total available-for-sale securities       | \$ 28,343                                           | \$ 1,090,796 | \$ 30,296         | \$ 1,018,026 |
| Equity investment securities (a)          | 181                                                 | 236          | 191               | 237          |
| Derivative assets (b)                     | —                                                   | 23,688       | —                 | 22,304       |
| <b>Liabilities:</b>                       |                                                     |              |                   |              |
| Derivative liabilities (c)                | \$ —                                                | \$ 20,642    | \$ —              | \$ 19,122    |

(a) Included in "Other investment securities" on the Unaudited Consolidated Balance Sheets. For additional information, see "Note 3 Investment Securities" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

(b) Included in "Other assets" on the Unaudited Consolidated Balance Sheets. For additional information, see "Note 10 Derivative Financial Instruments" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

(c) Included in "Accrued expenses and other liabilities" on the Unaudited Consolidated Balance Sheets. For additional information, see "Note 10 Derivative Financial Instruments" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

**Available-for-Sale Investment Securities:** The fair values used by Peoples are obtained from an independent pricing service and represent either quoted market prices for the identical securities (Level 1) or fair values determined by pricing models using a market approach that considers observable market data, such as interest rate volatility, secured overnight funding rate ("SOFR") (or other relevant) yield curves, credit spreads and prices from market makers and live trading systems (Level 2). Management reviews the valuation methodology and quality controls utilized by the pricing services or broker in management's overall assessment of the reasonableness of the fair values provided, and challenges prices when management believes a material discrepancy in pricing exists.

**Equity Investment Securities:** The fair values of Peoples' equity investment securities are obtained from quoted prices in active exchange markets for identical assets or liabilities (Level 1) or quoted prices in less active markets (Level 2).

**Derivative Assets and Derivative Liabilities:** Derivative assets and derivative liabilities are recognized on the Unaudited Consolidated Balance Sheets at their fair value within "Other assets" and "Accrued expenses and other liabilities", respectively. The fair value for derivative financial instruments is determined based on market prices, broker-dealer quotations on similar products, or other related input parameters (Level 2).

**Assets and Liabilities Required to be Measured and Reported at Fair Value on a Non-Recurring Basis**

The following table provides the fair value for each class of assets and liabilities required to be measured and reported at fair value on a non-recurring basis on the Unaudited Consolidated Balance Sheets by level in the fair value hierarchy at June 30, 2024 and December 31, 2023.

| (Dollars in thousands)     | Non-Recurring Fair Value Measurements at Reporting Date |          |                   |         |
|----------------------------|---------------------------------------------------------|----------|-------------------|---------|
|                            | June 30, 2024                                           |          | December 31, 2023 |         |
|                            | Level 2                                                 | Level 3  | Level 2           | Level 3 |
| <b>Assets:</b>             |                                                         |          |                   |         |
| Collateral dependent loans | \$ —                                                    | \$ 3,168 | \$ —              | \$ 501  |
| Loans held for sale (a)    | 3,347                                                   | —        | 1,663             | —       |
| Other real estate owned    | —                                                       | 171      | —                 | 7,118   |

(a) Loans held for sale are presented gross of a valuation allowance of \$ 149 and \$ 163 at June 30, 2024 and at December 31, 2023, respectively.

**Collateral Dependent Loans:** Loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty, are considered collateral dependent. Peoples utilizes outside third-party appraisal services to value the underlying collateral, which Peoples then uses to report the loans at their fair value (Level 3).

**Loans Held for Sale:** Loans originated and intended to be sold in the secondary market, generally one-to-four family residential loans, are carried, in aggregate, at the lower of cost or estimated fair value. Peoples uses a valuation model using quoted market prices of similar instruments in arriving at the fair value (Level 2).

**Other Real Estate Owned ("OREO"):** OREO, included in "Other assets" on the Unaudited Consolidated Balance Sheets, is comprised primarily of commercial and residential real estate properties acquired by Peoples in satisfaction of a loan. OREO obtained in satisfaction of a loan is recorded at the lower of cost or estimated fair value, less estimated costs to sell the property. The carrying value of OREO is not re-measured to fair value on a recurring basis, but is based on recent real estate appraisals and is updated at least annually. These appraisals may utilize a single valuation approach or a combination of approaches, including the comparable sales approach and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available (Level 3).

**Financial Instruments Not Required to be Measured or Reported at Fair Value**

The following table provides the carrying amount for each class of assets and liabilities and the fair value for certain financial instruments that are not required to be measured or reported at fair value on the Unaudited Consolidated Balance Sheets.

| (Dollars in thousands)                               | Fair Value Measurements of Other Financial Instruments |                 |              |                   |              |
|------------------------------------------------------|--------------------------------------------------------|-----------------|--------------|-------------------|--------------|
|                                                      | Fair Value Hierarchy Level                             | June 30, 2024   |              | December 31, 2023 |              |
|                                                      |                                                        | Carrying Amount | Fair Value   | Carrying Amount   | Fair Value   |
| Assets:                                              |                                                        |                 |              |                   |              |
| Cash and cash equivalents                            | 1                                                      | \$ 235,871      | \$ 235,871   | \$ 426,722        | \$ 426,722   |
| Held-to-maturity investment securities:              |                                                        |                 |              |                   |              |
| Obligations of:                                      |                                                        |                 |              |                   |              |
| U.S. government sponsored agencies                   | 2                                                      | 212,023         | 203,137      | 188,475           | 180,825      |
| States and political subdivisions (a)                | 2                                                      | 144,134         | 112,082      | 144,496           | 114,288      |
| Residential mortgage-backed securities               | 2                                                      | 246,283         | 224,160      | 248,559           | 231,620      |
| Commercial mortgage-backed securities                | 2                                                      | 99,782          | 83,214       | 102,365           | 85,289       |
| Total held-to-maturity securities                    |                                                        | 702,222         | 622,593      | 683,895           | 612,022      |
| Other investment securities:                         |                                                        |                 |              |                   |              |
| Other investment securities at cost:                 |                                                        |                 |              |                   |              |
| Federal Home Loan Bank ("FHLB") stock                | N/A                                                    | 27,848          | 27,848       | 29,949            | 29,949       |
| Federal Reserve Bank ("FRB") stock                   | N/A                                                    | 27,114          | 27,114       | 26,896            | 26,896       |
| Total other investment securities at cost            |                                                        | 54,962          | 54,962       | 56,845            | 56,845       |
| Other investment securities at fair value:           |                                                        |                 |              |                   |              |
| Nonqualified deferred compensation (b)               | 1                                                      | 4,190           | 4,190        | 3,162             | 3,162        |
| Other investment securities (c)                      | 2                                                      | 3,173           | 3,173        | 2,985             | 2,985        |
| Total other investment securities                    |                                                        | 62,325          | 62,325       | 62,992            | 62,992       |
| Loans and leases, net of deferred fees and costs (d) | 3                                                      | 6,325,371       | 6,215,030    | 6,159,196         | 6,064,999    |
| Bank owned life insurance                            | 2                                                      | 142,605         | 142,605      | 140,554           | 140,554      |
| Liabilities:                                         |                                                        |                 |              |                   |              |
| Deposits                                             | 2                                                      | \$ 7,297,774    | \$ 6,454,543 | \$ 7,152,297      | \$ 6,319,885 |
| Short-term borrowings                                | 2                                                      | 482,733         | 498,052      | 601,121           | 619,999      |
| Long-term borrowings                                 | 2                                                      | 234,257         | 241,691      | 216,241           | 222,743      |

(a) Obligations of states and political subdivisions are presented gross of an allowance for credit losses of \$ 238 at both June 30, 2024 and December 31, 2023.

(b) Nonqualified deferred compensation includes mutual funds as part of the investment.

(c) "Other investment securities", as reported on the Unaudited Consolidated Balance Sheets, also included equity investment securities at June 30, 2024 and at December 31, 2023, which are reported in the Assets and Liabilities Required to be Measured and Reported at Fair Value on a Recurring Basis table above and not included in this table.

(d) Loans and leases, net of deferred fees and costs, are presented gross of an allowance for credit losses of \$ 66.2 million and \$ 62.0 million at June 30, 2024 and at December 31, 2023, respectively.

For certain financial assets and liabilities, carrying value approximates fair value due to the nature of the financial instrument. These financial instruments include cash and cash equivalents and overnight borrowings. Peoples used the following methods and assumptions in estimating the fair value of the following financial instruments:

**Cash and Cash Equivalents:** Cash and cash equivalents include cash on hand, balances due from other banks, interest-bearing deposits in other banks, federal funds sold and other short-term investments with original maturities of ninety days or less. The carrying amount for cash and cash equivalents balances are a reasonable estimate of fair value (Level 1).

**Held-to-Maturity Investment Securities:** The fair values used by Peoples are obtained from an independent pricing service and represent fair values determined by pricing models using a market approach that considers observable market data, such as interest rate volatility, relevant yield curves, credit spreads and prices from market makers and live trading systems (Level 2). When observable market data is absent, the independent pricing service estimates prices based on underlying cash flow characteristics and discount rates and compares them to similar securities (Level 3). Management reviews the valuation methodology and quality controls utilized by the pricing services in management's overall assessment

of the reasonableness of the fair values provided, and challenges prices when management believes a material discrepancy in pricing exists.

**Other Investment Securities:** Other investment securities at cost are not recorded at fair value as they are not marketable securities. Other investment securities at fair value are valued using quoted prices in an active market (Level 1) or quoted prices in less active markets (Level 2).

**Loans and Leases, Net of Deferred Fees and Costs:** The fair value of portfolio loans and leases assumes sale of the underlying notes to a third-party financial investor. Accordingly, this value is not necessarily the value to Peoples if the notes were held to maturity. Peoples considers interest rate, credit and market factors in estimating the fair value of loans and leases (Level 3). Fair values for loans and leases are estimated using a discounted cash flow methodology. The discount rates take into account interest rates currently being offered to customers for loans and leases with similar terms, the credit risk associated with the loans and leases and other market factors, including liquidity.

**Bank Owned Life Insurance:** Peoples' bank owned life insurance policies are recorded at their cash surrender value (Level 2). Peoples recognizes tax-exempt income from the periodic increases in the cash surrender value of these policies and from death benefits.

**Deposits:** The fair value of fixed-maturity certificates of deposit ("CDs") is estimated using a discounted cash flow calculation based on current rates offered for deposits of similar remaining maturities. Demand and other non-fixed-maturity deposits are estimated using a discounted cash flow calculation based on maturity, attrition and re-pricing assumptions (Level 2).

**Short-term Borrowings:** The fair value of short-term borrowings is estimated using a discounted cash flow analysis based on rates currently available to Peoples for borrowings with similar terms (Level 2).

**Long-term Borrowings:** The fair value of long-term borrowings is estimated using a discounted cash flow analysis based on rates currently available to Peoples for borrowings with similar terms (Level 2).

Certain financial assets and financial liabilities that are not required to be measured or reported at fair value can be subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). These financial assets and financial liabilities include the following: customer relationships, the deposit base, and other information required to compute Peoples' aggregate fair value, which are not included in the above information. Accordingly, the fair values described above are not intended to represent the aggregate fair value of Peoples.

**Note 3 Investment Securities**
**Available-for-sale**

The following table summarizes Peoples' available-for-sale investment securities:

| <i>(Dollars in thousands)</i>              | Amortized Cost      | Gross<br>Unrealized Gains | Gross<br>Unrealized Losses | Fair Value          |
|--------------------------------------------|---------------------|---------------------------|----------------------------|---------------------|
| <b>June 30, 2024</b>                       |                     |                           |                            |                     |
| Obligations of:                            |                     |                           |                            |                     |
| U.S. Treasury and government agencies      | \$ 29,417           | \$ 65                     | \$ ( 1,139 )               | \$ 28,343           |
| U.S. government sponsored agencies         | 241,060             | 548                       | ( 10,692 )                 | 230,916             |
| States and political subdivisions          | 232,514             | 9                         | ( 29,719 )                 | 202,804             |
| Residential mortgage-backed securities     | 696,929             | 1,257                     | ( 97,184 )                 | 601,002             |
| Commercial mortgage-backed securities      | 59,640              | 1                         | ( 9,606 )                  | 50,035              |
| Bank-issued trust preferred securities     | 6,500               | 3                         | ( 464 )                    | 6,039               |
| <b>Total available-for-sale securities</b> | <b>\$ 1,266,060</b> | <b>\$ 1,883</b>           | <b>\$ ( 148,804 )</b>      | <b>\$ 1,119,139</b> |
| <b>December 31, 2023</b>                   |                     |                           |                            |                     |
| Obligations of:                            |                     |                           |                            |                     |
| U.S. Treasury and government agencies      | \$ 30,999           | \$ 292                    | \$ ( 995 )                 | \$ 30,296           |
| U.S. government sponsored agencies         | 128,500             | 639                       | ( 10,532 )                 | 118,607             |
| States and political subdivisions          | 239,906             | 485                       | ( 27,095 )                 | 213,296             |
| Residential mortgage-backed securities     | 717,772             | 1,819                     | ( 90,667 )                 | 628,924             |
| Commercial mortgage-backed securities      | 60,611              | 5                         | ( 9,382 )                  | 51,234              |
| Bank-issued trust preferred securities     | 6,500               | —                         | ( 535 )                    | 5,965               |
| <b>Total available-for-sale securities</b> | <b>\$ 1,184,288</b> | <b>\$ 3,240</b>           | <b>\$ ( 139,206 )</b>      | <b>\$ 1,048,322</b> |

The gross gains and losses realized by Peoples from sales or prepayments of available-for-sale securities for the periods ended June 30 were as follows:

|                                 | Three Months Ended |                   | Six Months Ended  |                     |
|---------------------------------|--------------------|-------------------|-------------------|---------------------|
|                                 | June 30,           |                   | June 30,          |                     |
| <i>(Dollars in thousands)</i>   | 2024               | 2023              | 2024              | 2023                |
| Gross gains realized            | \$ —               | \$ 12             | \$ —              | \$ 90               |
| Gross losses realized           | 353                | 178               | 354               | 2,191               |
| <b>Net (loss) gain realized</b> | <b>\$ ( 353 )</b>  | <b>\$ ( 166 )</b> | <b>\$ ( 354 )</b> | <b>\$ ( 2,101 )</b> |

The cost of investment securities sold, and any resulting gain or loss, were based on the specific identification method and recognized as of the trade date.

The following table presents a summary of available-for-sale investment securities that have been in a continuous unrealized loss position for the periods identified:

| (Dollars in thousands)                 | Less than 12 Months |                 |                   | 12 Months or More |                   |                   | Total               |                   |
|----------------------------------------|---------------------|-----------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
|                                        | Fair Value          | Unrealized Loss | No. of Securities | Fair Value        | Unrealized Loss   | No. of Securities | Fair Value          | Unrealized Loss   |
| <b>June 30, 2024</b>                   |                     |                 |                   |                   |                   |                   |                     |                   |
| Obligations of:                        |                     |                 |                   |                   |                   |                   |                     |                   |
| U.S. Treasury and government agencies  | \$ 6,912            | \$ 71           | 9                 | \$ 17,240         | \$ 1,068          | 19                | \$ 24,152           | \$ 1,139          |
| U.S. government sponsored agencies     | 86,183              | 117             | 10                | 80,062            | 10,575            | 16                | 166,245             | 10,692            |
| States and political subdivisions      | 20,633              | 675             | 54                | 171,173           | 29,044            | 149               | 191,806             | 29,719            |
| Residential mortgage-backed securities | 28,049              | 271             | 20                | 542,532           | 96,913            | 295               | 570,581             | 97,184            |
| Commercial mortgage-backed securities  | 451                 | 2               | 1                 | 49,464            | 9,604             | 28                | 49,915              | 9,606             |
| Bank-issued trust preferred securities | 1,989               | 11              | 1                 | 3,546             | 453               | 2                 | 5,535               | 464               |
| <b>Total</b>                           | <b>\$ 144,217</b>   | <b>\$ 1,147</b> | <b>95</b>         | <b>\$ 864,017</b> | <b>\$ 147,657</b> | <b>509</b>        | <b>\$ 1,008,234</b> | <b>\$ 148,804</b> |
| <b>December 31, 2023</b>               |                     |                 |                   |                   |                   |                   |                     |                   |
| Obligations of:                        |                     |                 |                   |                   |                   |                   |                     |                   |
| U.S. Treasury and government agencies  | \$ 8,568            | \$ 83           | 22                | \$ 11,631         | \$ 912            | 5                 | \$ 20,199           | \$ 995            |
| U.S. government sponsored agencies     | 14,439              | 35              | 4                 | 74,211            | 10,497            | 15                | 88,650              | 10,532            |
| States and political subdivisions      | 18,268              | 136             | 32                | 167,346           | 26,959            | 138               | 185,614             | 27,095            |
| Residential mortgage-backed securities | 58,671              | 1,150           | 66                | 529,895           | 89,517            | 238               | 588,566             | 90,667            |
| Commercial mortgage-backed securities  | 6,000               | 112             | 7                 | 44,656            | 9,270             | 21                | 50,656              | 9,382             |
| Bank-issued trust preferred securities | 1,984               | 16              | 1                 | 3,981             | 519               | 3                 | 5,965               | 535               |
| <b>Total</b>                           | <b>\$ 107,930</b>   | <b>\$ 1,532</b> | <b>132</b>        | <b>\$ 831,720</b> | <b>\$ 137,674</b> | <b>420</b>        | <b>\$ 939,650</b>   | <b>\$ 139,206</b> |

Management evaluates available-for-sale investment securities for an allowance for credit losses on a quarterly basis. At June 30, 2024, management concluded that no individual securities at an unrealized loss position required an allowance for credit losses. At June 30, 2024, Peoples did not have the intent to sell, nor was it more likely than not that Peoples would be required to sell, any of the securities with an unrealized loss prior to recovery. Further, the unrealized losses at both June 30, 2024 and December 31, 2023 were attributable to changes in market interest rates and spreads since the securities were purchased, and were not credit-related losses.

The unrealized loss with respect to the two bank-issued trust preferred securities that had been in an unrealized loss position for twelve months or more at June 30, 2024 was attributable to the subordinated nature of the trust preferred securities.

The table below presents the amortized cost, fair value and total weighted-average yield of available-for-sale securities by contractual maturity at June 30, 2024. The weighted-average yields are based on the amortized cost. In some cases, the issuers may have the right to call or prepay obligations without call or prepayment penalties prior to the contractual maturity date.

| (Dollars in thousands)                 | Within 1 Year |        | 1 to 5 Years |         | 5 to 10 Years |         | Over 10 Years |         | Total        |   |
|----------------------------------------|---------------|--------|--------------|---------|---------------|---------|---------------|---------|--------------|---|
| Amortized cost                         |               |        |              |         |               |         |               |         |              |   |
| Obligations of:                        |               |        |              |         |               |         |               |         |              |   |
| U.S. Treasury and government agencies  | \$            | 1,138  | \$           | 15,218  | \$            | 7,228   | \$            | 5,833   | \$ 29,417    |   |
| U.S. government sponsored agencies     |               | —      |              | 67,076  |               | 86,208  |               | 87,776  | 241,060      |   |
| States and political subdivisions      |               | 9,756  |              | 44,335  |               | 64,855  |               | 113,568 | 232,514      |   |
| Residential mortgage-backed securities |               | 1      |              | 3,715   |               | 55,991  |               | 637,222 | 696,929      |   |
| Commercial mortgage-backed securities  |               | —      |              | 12,095  |               | 26,908  |               | 20,637  | 59,640       |   |
| Bank-issued trust preferred securities |               | 2,000  |              | 1,000   |               | 3,500   |               | —       | 6,500        |   |
| Total available-for-sale securities    | \$            | 12,895 | \$           | 143,439 | \$            | 244,690 | \$            | 865,036 | \$ 1,266,060 |   |
| Fair value                             |               |        |              |         |               |         |               |         |              |   |
| Obligations of:                        |               |        |              |         |               |         |               |         |              |   |
| U.S. Treasury and government agencies  | \$            | 1,128  | \$           | 14,233  | \$            | 7,214   | \$            | 5,768   | \$ 28,343    |   |
| U.S. government sponsored agencies     |               | —      |              | 62,272  |               | 82,424  |               | 86,220  | 230,916      |   |
| States and political subdivisions      |               | 9,718  |              | 41,387  |               | 54,369  |               | 97,330  | 202,804      |   |
| Residential mortgage-backed securities |               | 1      |              | 3,560   |               | 51,066  |               | 546,375 | 601,002      |   |
| Commercial mortgage-backed securities  |               | —      |              | 10,978  |               | 22,672  |               | 16,385  | 50,035       |   |
| Bank-issued trust preferred securities |               | 1,989  |              | 948     |               | 3,102   |               | —       | 6,039        |   |
| Total available-for-sale securities    | \$            | 12,836 | \$           | 133,378 | \$            | 220,847 | \$            | 752,078 | \$ 1,119,139 |   |
| Total weighted-average yield           | 3.77          | %      | 2.39         | %       | 3.06          | %       | 2.76          | %       | 2.79         | % |

#### Held-to-maturity

The following table summarizes Peoples' held-to-maturity investment securities:

| (Dollars in thousands)                              | Amortized Cost    | Allowance for Credit Losses | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value        |
|-----------------------------------------------------|-------------------|-----------------------------|------------------------|-------------------------|-------------------|
| <b>June 30, 2024</b>                                |                   |                             |                        |                         |                   |
| Obligations of:                                     |                   |                             |                        |                         |                   |
| U.S. government sponsored agencies                  | \$ 212,023        | \$ —                        | \$ 311                 | \$ ( 9,197 )            | \$ 203,137        |
| States and political subdivisions                   | 144,134           | ( 238 )                     | 112                    | ( 31,926 )              | 112,082           |
| Residential mortgage-backed securities              | 246,283           | —                           | 404                    | ( 22,527 )              | 224,160           |
| Commercial mortgage-backed securities               | 99,782            | —                           | —                      | ( 16,568 )              | 83,214            |
| <b>Total held-to-maturity investment securities</b> | <b>\$ 702,222</b> | <b>\$ ( 238 )</b>           | <b>\$ 827</b>          | <b>\$ ( 80,218 )</b>    | <b>\$ 622,593</b> |
| <b>December 31, 2023</b>                            |                   |                             |                        |                         |                   |
| Obligations of:                                     |                   |                             |                        |                         |                   |
| U.S. government sponsored agencies                  | \$ 188,475        | \$ —                        | \$ 489                 | \$ ( 8,139 )            | \$ 180,825        |
| States and political subdivisions                   | 144,496           | ( 238 )                     | 134                    | ( 30,104 )              | 114,288           |
| Residential mortgage-backed securities              | 248,559           | —                           | 1,643                  | ( 18,582 )              | 231,620           |
| Commercial mortgage-backed securities               | 102,365           | —                           | —                      | ( 17,076 )              | 85,289            |
| <b>Total held-to-maturity investment securities</b> | <b>\$ 683,895</b> | <b>\$ ( 238 )</b>           | <b>\$ 2,266</b>        | <b>\$ ( 73,901 )</b>    | <b>\$ 612,022</b> |

There were no sales of held-to-maturity investment securities during either of the six months ended June 30, 2024 or 2023.

Management evaluates held-to-maturity investment securities for an allowance for credit losses on a quarterly basis. Peoples has determined that the loss given default for U.S. government sponsored agencies investment securities is zero , due to the fact that it is unlikely the ultimate guarantor (the U.S. government) would not perform on its implicit guarantee in the event of default. The remaining securities are included in the calculation of the allowance for credit losses for held-to-maturity investment securities. Peoples reported \$ 0.2 million of allowance for credit losses for held-to-maturity securities at both June 30, 2024, and December 31, 2023.

The following table presents a summary of held-to-maturity investment securities that had been in a continuous unrealized loss position for the periods identified:



|                                        | Less than 12 Months |                 |                   | 12 Months or More |                  |                   | Total             |                  |
|----------------------------------------|---------------------|-----------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| (Dollars in thousands)                 | Fair Value          | Unrealized Loss | No. of Securities | Fair Value        | Unrealized Loss  | No. of Securities | Fair Value        | Unrealized Loss  |
| <b>June 30, 2024</b>                   |                     |                 |                   |                   |                  |                   |                   |                  |
| Obligations of:                        |                     |                 |                   |                   |                  |                   |                   |                  |
| U.S. government sponsored agencies     | \$ 20,014           | \$ 149          | 4                 | 126,829           | 9,048            | 27                | \$ 146,843        | \$ 9,197         |
| States and political subdivisions      | —                   | —               | —                 | 108,854           | 31,926           | 67                | 108,854           | 31,926           |
| Residential mortgage-backed securities | 42,985              | 511             | 10                | 153,531           | 22,016           | 48                | 196,516           | 22,527           |
| Commercial mortgage-backed securities  | 3,014               | 1,103           | 3                 | 78,201            | 15,465           | 32                | 81,215            | 16,568           |
| <b>Total</b>                           | <b>\$ 66,013</b>    | <b>\$ 1,763</b> | <b>17</b>         | <b>\$ 467,415</b> | <b>\$ 78,455</b> | <b>174</b>        | <b>\$ 533,428</b> | <b>\$ 80,216</b> |
| <b>December 31, 2023</b>               |                     |                 |                   |                   |                  |                   |                   |                  |
| Obligations of:                        |                     |                 |                   |                   |                  |                   |                   |                  |
| U.S. government sponsored agencies     | \$ 64,487           | \$ 356          | 14                | \$ 86,071         | \$ 7,783         | 18                | \$ 150,558        | \$ 8,139         |
| States and political subdivisions      | —                   | —               | —                 | 111,040           | 30,104           | 67                | 111,040           | 30,104           |
| Residential mortgage-backed securities | 44,379              | 1,105           | 14                | 117,654           | 17,477           | 34                | 162,033           | 18,582           |
| Commercial mortgage-backed securities  | 13,919              | 1,845           | 6                 | 71,370            | 15,231           | 31                | 85,289            | 17,076           |
| <b>Total</b>                           | <b>\$ 122,785</b>   | <b>\$ 3,306</b> | <b>34</b>         | <b>\$ 386,135</b> | <b>\$ 70,595</b> | <b>150</b>        | <b>\$ 508,920</b> | <b>\$ 73,901</b> |

The table below presents the amortized cost, fair value and total weighted-average yield of held-to-maturity investment securities by contractual maturity at June 30, 2024. The weighted-average yields are based on the amortized cost and are computed on a fully taxable-equivalent basis using a blended federal and state corporate income tax rate of 23.3 % at June 30, 2024. In some cases, the issuers may have the right to call or prepay obligations without call or prepayment penalties prior to the contractual maturity date.

| (Dollars in thousands)                              | Within 1 Year   | 1 to 5 Years     | 5 to 10 Years     | Over 10 Years     | Total             |
|-----------------------------------------------------|-----------------|------------------|-------------------|-------------------|-------------------|
| <b>Amortized cost</b>                               |                 |                  |                   |                   |                   |
| Obligations of:                                     |                 |                  |                   |                   |                   |
| U.S. government sponsored agencies                  | \$ 8,000        | \$ 10,634        | \$ 70,081         | \$ 123,308        | \$ 212,023        |
| States and political subdivisions                   | —               | 6,424            | 16,631            | 121,079           | 144,134           |
| Residential mortgage-backed securities              | —               | 360              | 4,134             | 241,789           | 246,283           |
| Commercial mortgage-backed securities               | 1,063           | 11,236           | 36,851            | 50,632            | 99,782            |
| <b>Total held-to-maturity investment securities</b> | <b>\$ 9,063</b> | <b>\$ 28,654</b> | <b>\$ 127,697</b> | <b>\$ 536,808</b> | <b>\$ 702,222</b> |
| <b>Fair value</b>                                   |                 |                  |                   |                   |                   |
| Obligations of:                                     |                 |                  |                   |                   |                   |
| U.S. government sponsored agencies                  | \$ 7,950        | \$ 10,171        | \$ 69,459         | \$ 115,557        | \$ 203,137        |
| States and political subdivisions                   | —               | 6,290            | 13,874            | 91,918            | 112,082           |
| Residential mortgage-backed securities              | —               | 353              | 3,595             | 220,212           | 224,160           |
| Commercial mortgage-backed securities               | 1,057           | 10,353           | 31,319            | 40,485            | 83,214            |
| <b>Total held-to-maturity investment securities</b> | <b>\$ 9,007</b> | <b>\$ 27,167</b> | <b>\$ 118,247</b> | <b>\$ 468,172</b> | <b>\$ 622,593</b> |
| <b>Total weighted-average yield</b>                 | <b>3.85 %</b>   | <b>2.46 %</b>    | <b>4.00 %</b>     | <b>3.66 %</b>     | <b>3.67 %</b>     |

#### Other Investment Securities

Peoples' other investment securities on the Unaudited Consolidated Balance Sheets consist largely of shares of FHLB stock and of FRB stock.

The following table summarizes the carrying value of Peoples' other investment securities:

| <i>(Dollars in thousands)</i>            | <b>June 30, 2024</b> |               | <b>December 31, 2023</b> |               |
|------------------------------------------|----------------------|---------------|--------------------------|---------------|
| FHLB stock                               | \$                   | 27,848        | \$                       | 29,949        |
| FRB stock                                |                      | 27,114        |                          | 26,896        |
| Nonqualified deferred compensation       |                      | 4,190         |                          | 3,162         |
| Equity investment securities             |                      | 2,721         |                          | 2,545         |
| Other investment securities              |                      | 869           |                          | 869           |
| <b>Total other investment securities</b> | <b>\$</b>            | <b>62,742</b> | <b>\$</b>                | <b>63,421</b> |

During the six months ended June 30, 2024, Peoples redeemed \$ 19.3 million of FHLB stock in order to be in compliance with the requirements of the FHLB. Peoples purchased \$ 17.2 million of additional FHLB stock during the six months ended June 30, 2024, as a result of the FHLB's capital requirements on FHLB advances.

For the three months ended June 30, 2024 and 2023, Peoples recorded the change in the fair value of equity investment securities held during the period in "Other non-interest income", resulting in an unrealized gain of \$ 21,000 and an unrealized loss of \$ 138,000 , respectively. For the six months ended June 30, 2024 and 2023, Peoples recognized an unrealized gain of \$ 68,000 and an unrealized loss of \$ 117,000 , respectively, for the change in fair value of equity investment securities in "Other non-interest income".

At June 30, 2024, Peoples' investment in equity investment securities was comprised largely of common stocks issued by various unrelated bank holding companies. There were no equity investment securities of a single issuer that exceeded 10% of Peoples' stockholders' equity at June 30, 2024.

#### Pledged Securities

Peoples has pledged available-for-sale investment securities and held-to-maturity investment securities to secure public and trust department deposits, and repurchase agreements in accordance with federal and state requirements. Peoples has also pledged available-for-sale investment securities to secure additional borrowing capacity at the FHLB and the FRB.

The following table summarizes the carrying amount of Peoples' pledged securities:

| <i>(Dollars in thousands)</i>                                                    | <b>Carrying Amount</b> |                          |
|----------------------------------------------------------------------------------|------------------------|--------------------------|
|                                                                                  | <b>June 30, 2024</b>   | <b>December 31, 2023</b> |
| <b>Securing public and trust department deposits, and repurchase agreements:</b> |                        |                          |
| Available-for-sale                                                               | \$ 670,969             | \$ 713,033               |
| Held-to-maturity                                                                 | 517,799                | 559,142                  |
| <b>Securing additional borrowing capacity at the FHLB and the FRB:</b>           |                        |                          |
| Available-for-sale                                                               | 96,078                 | 85,899                   |
| Held-to-maturity                                                                 | 52,659                 | 39,607                   |

#### Accrued Interest

Accrued interest receivable is not included in investment securities balances, and is presented in the "Other assets" line of the Unaudited Consolidated Balance Sheets, with no recorded allowance for credit losses. Interest receivable on investment securities was \$ 11.2 million at June 30, 2024 and \$ 8.8 million at December 31, 2023.

#### Note 4 Loans and Leases

Peoples' loan portfolio consists of various types of loans and leases originated primarily as a result of lending opportunities within Peoples' footprint. Peoples also originates insurance premium finance loans nationwide through its Peoples Premium Finance division, and originates leases nationwide through its North Star Leasing ("NSL") division and its Vantage Financial, LLC ("Vantage") subsidiary.

The major classifications of loan balances (in each case, net of deferred fees and costs) excluding loans held for sale, were as follows:

| <i>(Dollars in thousands)</i>         | <b>June 30,<br/>2024</b> | <b>December 31, 2023</b> |
|---------------------------------------|--------------------------|--------------------------|
| Construction                          | \$ 340,601               | \$ 364,019               |
| Commercial real estate, other         | 2,195,979                | 2,196,957                |
| Commercial and industrial             | 1,258,063                | 1,184,986                |
| Premium finance                       | 293,349                  | 203,177                  |
| Leases                                | 430,651                  | 414,060                  |
| Residential real estate               | 789,344                  | 791,095                  |
| Home equity lines of credit           | 227,608                  | 208,675                  |
| Consumer, indirect                    | 675,054                  | 666,472                  |
| Consumer, direct                      | 113,655                  | 128,769                  |
| Deposit account overdrafts            | 1,067                    | 986                      |
| <b>Total loans, at amortized cost</b> | <b>\$ 6,325,371</b>      | <b>\$ 6,159,196</b>      |

Accrued interest receivable is not included within the loan balances, but is presented in the "Other assets" line of the Unaudited Consolidated Balance Sheets, with no recorded allowance for credit losses. Total interest receivable on loans was \$ 24.4 million at June 30, 2024 and \$ 24.5 million at December 31, 2023.

#### Nonaccrual and Past Due Loans

A loan is considered past due if any required principal and interest payments have not been received as of the date such payments were required to be made under the terms of the loan agreement. A loan may be placed on nonaccrual status regardless of whether or not such loan is considered past due.

The amortized cost of loans on nonaccrual status and of loans delinquent for 90 days or more and accruing was as follows:

| <i>(Dollars in thousands)</i>         | <b>June 30, 2024</b>             |                                             | <b>December 31, 2023</b>         |                                             |
|---------------------------------------|----------------------------------|---------------------------------------------|----------------------------------|---------------------------------------------|
|                                       | <b>Nonaccrual <sup>(a)</sup></b> | <b>Accruing Loans<br/>90+ Days Past Due</b> | <b>Nonaccrual <sup>(a)</sup></b> | <b>Accruing Loans<br/>90+ Days Past Due</b> |
| Construction                          | \$ —                             | \$ —                                        | \$ —                             | \$ —                                        |
| Commercial real estate, other         | 4,833                            | 106                                         | 2,816                            | 78                                          |
| Commercial and industrial             | 6,030                            | 208                                         | 2,758                            | 316                                         |
| Premium finance                       | —                                | 2,546                                       | —                                | 1,355                                       |
| Leases                                | 11,849                           | 3,193                                       | 8,436                            | 3,826                                       |
| Residential real estate               | 7,078                            | 1,209                                       | 7,921                            | 877                                         |
| Home equity lines of credit           | 1,454                            | 230                                         | 1,022                            | 171                                         |
| Consumer, indirect                    | 2,261                            | 67                                          | 2,412                            | 68                                          |
| Consumer, direct                      | 164                              | 33                                          | 112                              | 25                                          |
| <b>Total loans, at amortized cost</b> | <b>\$ 33,669</b>                 | <b>\$ 7,592</b>                             | <b>\$ 25,477</b>                 | <b>\$ 6,716</b>                             |

(a) There were \$ 1.4 million of nonaccrual loans for which there was no allowance for credit losses at June 30, 2024 and \$ 1.2 million of nonaccrual loans for which there was no allowance for credit losses at December 31, 2023.

During the first six months of 2024, nonaccrual loans increased compared to at December 31, 2023, which was primarily due to one large commercial and industrial loan of approximately \$ 2.0 million that went on nonaccrual status during the first half of 2024. Further, eight leases and four commercial real estate loans went on nonaccrual status during the second quarter of 2024 which increased the amount reported by \$ 3.4 million and \$ 1.8 million, respectively. The increase in accruing loans 90+ days past due at June 30, 2024 when compared to at December 31, 2023, was primarily due to an increase in accruing premium finance loans 90+ days past due of approximately \$ 1.2 million and an increase in accruing residential real estate loans 90+ days past due of approximately \$ 0.3 million which was partially offset by a decrease in accruing leases and commercial and industrial loans 90+ days past due.

The amount of interest income recognized on accruing loans 90+ days past due during the six months ended June 30, 2024 was \$ 0.9 million.

The following table presents the aging of the amortized cost of past due loans:

| (Dollars in thousands)         | Loans Past Due |              |           |           | Current<br>Loans | Total<br>Loans |
|--------------------------------|----------------|--------------|-----------|-----------|------------------|----------------|
|                                | 30 - 59 days   | 60 - 89 days | 90 + Days | Total     |                  |                |
| June 30, 2024                  |                |              |           |           |                  |                |
| Construction                   | \$ —           | \$ 70        | \$ —      | \$ 70     | \$ 340,531       | \$ 340,601     |
| Commercial real estate, other  | 2,509          | 2,551        | 2,799     | 7,859     | 2,188,120        | 2,195,979      |
| Commercial and industrial      | 821            | 2,191        | 4,166     | 7,178     | 1,250,885        | 1,258,063      |
| Premium finance                | 4,051          | 4,332        | 2,546     | 10,929    | 282,420          | 293,349        |
| Leases                         | 2,690          | 9,395        | 14,831    | 26,916    | 403,735          | 430,651        |
| Residential real estate        | 3,543          | 3,065        | 4,259     | 10,867    | 778,477          | 789,344        |
| Home equity lines of credit    | 1,071          | 474          | 979       | 2,524     | 225,084          | 227,608        |
| Consumer, indirect             | 5,928          | 1,119        | 1,168     | 8,215     | 666,839          | 675,054        |
| Consumer, direct               | 553            | 51           | 86        | 690       | 112,965          | 113,655        |
| Deposit account overdrafts     | —              | —            | —         | —         | 1,067            | 1,067          |
| Total loans, at amortized cost | \$ 21,166      | \$ 23,248    | \$ 30,834 | \$ 75,248 | \$ 6,250,123     | \$ 6,325,371   |
| December 31, 2023              |                |              |           |           |                  |                |
| Construction                   | \$ 13          | \$ 52        | \$ —      | \$ 65     | \$ 363,954       | \$ 364,019     |
| Commercial real estate, other  | 2,728          | 4,556        | 1,572     | 8,856     | 2,188,101        | 2,196,957      |
| Commercial and industrial      | 1,717          | 1,491        | 3,052     | 6,260     | 1,178,726        | 1,184,986      |
| Premium finance                | 1,288          | 867          | 1,355     | 3,510     | 199,667          | 203,177        |
| Leases                         | 12,743         | 4,932        | 12,014    | 29,689    | 384,371          | 414,060        |
| Residential real estate        | 14,021         | 2,733        | 4,481     | 21,235    | 769,860          | 791,095        |
| Home equity lines of credit    | 1,561          | 691          | 683       | 2,935     | 205,740          | 208,675        |
| Consumer, indirect             | 7,488          | 1,550        | 1,230     | 10,268    | 656,204          | 666,472        |
| Consumer, direct               | 536            | 282          | 43        | 861       | 127,908          | 128,769        |
| Deposit account overdrafts     | —              | —            | —         | —         | 986              | 986            |
| Total loans, at amortized cost | \$ 42,095      | \$ 17,154    | \$ 24,430 | \$ 83,679 | \$ 6,075,517     | \$ 6,159,196   |

Delinquency trends improved slightly, as 98.8 % of Peoples' loan portfolio was considered "current" at June 30, 2024, compared to 98.6 % at December 31, 2023.

#### Pledged Loans

Peoples has pledged certain loans secured by one-to-four family and multifamily residential mortgages, home equity lines of credit and commercial real estate loans under a blanket collateral agreement to secure borrowings from the FHLB. Peoples also has pledged eligible commercial and industrial loans to secure borrowings with the FRB. Loans pledged are summarized as follows:

| (Dollars in thousands) | June 30, 2024 |           | December 31, 2023 |           |
|------------------------|---------------|-----------|-------------------|-----------|
| Loans pledged to FHLB  | \$            | 1,206,145 | \$                | 1,206,134 |
| Loans pledged to FRB   |               | 470,048   |                   | 419,245   |

#### Credit Quality Indicators

As discussed in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K, Peoples categorizes the majority of its loans into risk categories based upon an established risk grading matrix using a scale of 1 to 8. Loan grades are assigned at the time a new loan or lending commitment is extended by Peoples and may be changed at any time when circumstances warrant. Commercial loans to borrowers with an aggregate unpaid principal balance in excess of \$ 1.0 million are reviewed at least on an annual basis for possible credit deterioration. Commercial leases, as well as loan relationships whose aggregate credit exposure to Peoples is equal to or less than \$ 1.0 million, are reviewed on an event driven basis. Triggers for review include knowledge of adverse events affecting the borrower's business, receipt of financial statements indicating deteriorating credit quality or other similar events. Adversely classified loans are reviewed on a quarterly basis. A description of the general characteristics of the risk grades used by Peoples, follows:

**"Pass" (grades 1 through 4):** Loans in this risk category involve borrowers of acceptable-to-strong credit quality and risk who have the apparent ability to satisfy their loan obligations. Loans in this risk category would possess sufficient mitigating factors, such as adequate collateral or strong guarantors possessing the capacity to repay the loan if required, for any weakness that may exist.

**“Special Mention” (grade 5):** Loans in this risk grade are the equivalent of the regulatory definition of “Other Assets Especially Mentioned.” Loans in this risk category possess some credit deficiency or potential weakness, which requires a high level of management attention. Potential weaknesses include declining trends in operating earnings and cash flows and/or reliance on a secondary source of repayment. If left uncorrected, these potential weaknesses may result in noticeable deterioration of the repayment prospects for the loan or in Peoples’ credit position.

**“Substandard” (grade 6):** Loans in this risk grade are inadequately protected by the borrower’s current financial condition and payment capability or the collateral pledged, if any. Loans so classified have one or more well-defined weaknesses that jeopardize the orderly repayment of the loans. They are characterized by the distinct possibility that Peoples will sustain some loss if the weaknesses are not corrected.

**“Doubtful” (grade 7):** Loans in this risk grade have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or orderly repayment in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Possibility of loss is extremely high, but because of certain important and reasonably specific factors that may work to the advantage and strengthening of the exposure, classification of each of these loans as an estimated loss is deferred until its more exact status may be determined.

**“Loss” (grade 8):** Loans in this risk grade are considered to be non-collectible and of such little value that their continuance as bankable assets is not warranted. This does not mean a loan has absolutely no recovery value, but rather it is neither practical nor desirable to defer writing off the loan, even though partial recovery may be obtained in the future. Charge-offs against the allowance for credit losses are taken during the period in which the loan becomes uncollectible. Consequently, Peoples typically does not maintain a recorded investment in loans within this category.

Consumer loans and other smaller-balance loans are evaluated and categorized as “substandard,” “doubtful” or “loss” based upon the regulatory definition of these classes and consistent with regulatory requirements. Leases are categorized as “special mention”, “substandard”, or “loss” based upon delinquency status and the prospect of collecting the remaining net investment balance owed under the lease. All other loans not evaluated individually, nor meeting the regulatory conditions to be categorized as described above, would be considered as being “not rated.”

The following table summarizes the risk category of loans within Peoples’ loan portfolio, including acquired loans, based upon the most recent analysis performed at June 30, 2024:

| (Dollars in<br>thousands)           | Term Loans at Amortized Cost by Origination Year |            |            |           |          |           | Revolving<br>Loans | Revolving<br>Loans Converted<br>to Term | Total<br>Loans |
|-------------------------------------|--------------------------------------------------|------------|------------|-----------|----------|-----------|--------------------|-----------------------------------------|----------------|
|                                     | 2024                                             | 2023       | 2022       | 2021      | 2020     | Prior     |                    |                                         |                |
| Construction                        |                                                  |            |            |           |          |           |                    |                                         |                |
| Pass                                | \$ 16,666                                        | \$ 110,671 | \$ 132,711 | \$ 57,833 | \$ 3,265 | \$ 15,568 | \$ —               | \$ —                                    | \$ 336,714     |
| Special mention                     | —                                                | —          | 998        | —         | —        | 119       | —                  | —                                       | 1,117          |
| Substandard                         | —                                                | 1,185      | 1,560      | —         | —        | 25        | —                  | —                                       | 2,770          |
| Total                               | 16,666                                           | 111,856    | 135,269    | 57,833    | 3,265    | 15,712    | —                  | —                                       | 340,601        |
| Current period gross<br>charge-offs | —                                                | —          | —          | —         | —        | —         |                    |                                         | —              |
| Commercial real estate, other       |                                                  |            |            |           |          |           |                    |                                         |                |
| Pass                                | 51,930                                           | 225,385    | 356,931    | 371,474   | 209,331  | 826,545   | 40,467             | 267                                     | 2,082,063      |
| Special mention                     | 106                                              | 750        | 16,444     | 8,513     | 4,871    | 19,118    | 594                | 35                                      | 50,396         |
| Substandard                         | —                                                | 2,056      | 2,310      | 12,737    | 8,553    | 37,474    | 380                | —                                       | 63,510         |
| Doubtful                            | —                                                | —          | —          | —         | —        | 10        | —                  | —                                       | 10             |
| Total                               | 52,036                                           | 228,191    | 375,685    | 392,724   | 222,755  | 883,147   | 41,441             | 302                                     | 2,195,979      |
| Current period gross<br>charge-offs | —                                                | —          | 212        | —         | —        | —         |                    |                                         | 212            |
| Commercial and industrial           |                                                  |            |            |           |          |           |                    |                                         |                |
| Pass                                | 123,848                                          | 221,740    | 148,939    | 158,314   | 75,049   | 190,182   | 247,238            | 4,993                                   | 1,165,310      |
| Special mention                     | 69                                               | 3,965      | 11,960     | 11,314    | 11,070   | 4,420     | 22,259             | 5,500                                   | 65,057         |
| Substandard                         | —                                                | 276        | 2,134      | 14,522    | 4,911    | 2,403     | 1,233              | —                                       | 25,479         |
| Doubtful                            | —                                                | —          | 2,048      | —         | —        | 169       | —                  | —                                       | 2,217          |
| Total                               | 123,917                                          | 225,981    | 165,081    | 184,150   | 91,030   | 197,174   | 270,730            | 10,493                                  | 1,258,063      |

| (Dollars in thousands)             | Term Loans at Amortized Cost by Origination Year |         |         |         |        |         | Revolving<br>Loans | Revolving<br>Loans Converted to<br>Term | Total<br>Loans |
|------------------------------------|--------------------------------------------------|---------|---------|---------|--------|---------|--------------------|-----------------------------------------|----------------|
|                                    | 2024                                             | 2023    | 2022    | 2021    | 2020   | Prior   |                    |                                         |                |
| Current period gross charge-offs   | —                                                | —       | —       | 15      | 70     | 206     |                    |                                         | 291            |
| <b>Premium Finance</b>             |                                                  |         |         |         |        |         |                    |                                         |                |
| Pass                               | 250,326                                          | 42,781  | 242     | —       | —      | —       | —                  | —                                       | 293,349        |
| Total                              | 250,326                                          | 42,781  | 242     | —       | —      | —       | —                  | —                                       | 293,349        |
| Current period gross charge-offs   | 1                                                | 76      | 32      | —       | —      | —       |                    |                                         | 109            |
| <b>Leases</b>                      |                                                  |         |         |         |        |         |                    |                                         |                |
| Pass                               | 114,756                                          | 164,561 | 88,396  | 36,381  | 8,486  | 3,247   | —                  | —                                       | 415,827        |
| Special mention                    | 294                                              | 1,842   | 679     | 128     | 23     | 9       | —                  | —                                       | 2,975          |
| Substandard                        | 403                                              | 2,921   | 5,394   | 2,305   | 439    | 387     | —                  | —                                       | 11,849         |
| Total                              | 115,453                                          | 169,324 | 94,469  | 38,814  | 8,948  | 3,643   | —                  | —                                       | 430,651        |
| Current period gross charge-offs   | —                                                | 1,499   | 1,498   | 565     | 47     | 38      |                    |                                         | 3,647          |
| <b>Residential real estate</b>     |                                                  |         |         |         |        |         |                    |                                         |                |
| Pass                               | 45,622                                           | 71,719  | 88,373  | 134,905 | 55,916 | 382,908 | —                  | —                                       | 779,443        |
| Substandard                        | —                                                | 375     | 45      | 738     | 175    | 8,484   | —                  | —                                       | 9,817          |
| Loss                               | —                                                | 6       | —       | —       | —      | 78      | —                  | —                                       | 84             |
| Total                              | 45,622                                           | 72,100  | 88,418  | 135,643 | 56,091 | 391,470 | —                  | —                                       | 789,344        |
| Current period gross charge-offs   | —                                                | —       | 46      | 5       | —      | 93      |                    |                                         | 144            |
| <b>Home equity lines of credit</b> |                                                  |         |         |         |        |         |                    |                                         |                |
| Pass                               | 31,066                                           | 40,667  | 40,425  | 30,901  | 18,285 | 64,766  | 25                 | 1,119                                   | 226,135        |
| Substandard                        | —                                                | 19      | 43      | 86      | 34     | 1,281   | —                  | —                                       | 1,463          |
| Loss                               | —                                                | —       | —       | —       | —      | 10      | —                  | —                                       | 10             |
| Total                              | 31,066                                           | 40,686  | 40,468  | 30,987  | 18,319 | 66,057  | 25                 | 1,119                                   | 227,608        |
| Current period gross charge-offs   | —                                                | —       | —       | —       | —      | 9       |                    |                                         | 9              |
| <b>Consumer, indirect</b>          |                                                  |         |         |         |        |         |                    |                                         |                |
| Pass                               | 132,042                                          | 213,380 | 184,569 | 75,211  | 43,458 | 23,473  | —                  | —                                       | 672,133        |
| Substandard                        | 25                                               | 689     | 660     | 778     | 392    | 347     | —                  | —                                       | 2,891          |
| Loss                               | —                                                | 12      | 14      | 4       | —      | —       | —                  | —                                       | 30             |
| Total                              | 132,067                                          | 214,081 | 185,243 | 75,993  | 43,850 | 23,820  | —                  | —                                       | 675,054        |
| Current period gross charge-offs   | 47                                               | 1,268   | 1,042   | 454     | 100    | 117     |                    |                                         | 3,028          |
| <b>Consumer, direct</b>            |                                                  |         |         |         |        |         |                    |                                         |                |
| Pass                               | 28,303                                           | 32,440  | 28,430  | 12,999  | 5,992  | 5,188   | —                  | —                                       | 113,352        |
| Substandard                        | —                                                | 60      | 70      | 49      | 7      | 81      | —                  | —                                       | 267            |

| (Dollars in thousands)                 | Term Loans at Amortized Cost by Origination Year |           |           |          |         |           | Revolving Loans | Revolving Loans Converted to Term | Total Loans |
|----------------------------------------|--------------------------------------------------|-----------|-----------|----------|---------|-----------|-----------------|-----------------------------------|-------------|
|                                        | 2024                                             | 2023      | 2022      | 2021     | 2020    | Prior     |                 |                                   |             |
| Loss                                   | —                                                | 6         | —         | —        | —       | 30        | —               | —                                 | 36          |
| Total                                  | 28,303                                           | 32,506    | 28,500    | 13,048   | 5,999   | 5,299     | —               | —                                 | 113,655     |
| Current period gross charge-offs       | —                                                | 79        | 169       | 30       | 10      | 79        | —               | —                                 | 367         |
| Deposit account overdrafts             | 1,067                                            | —         | —         | —        | —       | —         | —               | —                                 | 1,067       |
| Current period gross charge-offs       | 674                                              | —         | —         | —        | —       | —         | —               | —                                 | 674         |
| Total loans, at amortized cost         | 796,523                                          | 1,137,506 | 1,113,375 | 929,192  | 450,257 | 1,586,322 | 312,196         | 11,914                            | 6,325,371   |
| Total current period gross charge-offs | \$ 722                                           | \$ 2,922  | \$ 2,999  | \$ 1,069 | \$ 227  | \$ 542    | —               | —                                 | \$ 8,481    |

The following table summarizes the risk category of loans within Peoples' loan portfolio, including acquired loans, based upon the then most recent analysis performed at December 31, 2023:

| (Dollars in thousands)               | Term Loans at Amortized Cost by Origination Year |            |           |           |          |           | Revolving Loans | Revolving Loans Converted to Term | Total Loans |
|--------------------------------------|--------------------------------------------------|------------|-----------|-----------|----------|-----------|-----------------|-----------------------------------|-------------|
|                                      | 2023                                             | 2022       | 2021      | 2020      | 2019     | Prior     |                 |                                   |             |
| <b>Construction</b>                  |                                                  |            |           |           |          |           |                 |                                   |             |
| Pass                                 | \$ 80,273                                        | \$ 141,245 | \$ 85,913 | \$ 27,169 | \$ 9,995 | \$ 12,723 | \$ —            | \$ —                              | \$ 357,318  |
| Special mention                      | —                                                | 3,757      | —         | —         | —        | 123       | —               | —                                 | 3,880       |
| Substandard                          | 1,200                                            | 1,590      | —         | —         | —        | 31        | —               | —                                 | 2,821       |
| Total                                | 81,473                                           | 146,592    | 85,913    | 27,169    | 9,995    | 12,877    | —               | —                                 | 364,019     |
| Current period gross charge-offs     | —                                                | —          | 9         | —         | —        | —         | —               | —                                 | 9           |
| <b>Commercial real estate, other</b> |                                                  |            |           |           |          |           |                 |                                   |             |
| Pass                                 | 199,565                                          | 327,762    | 366,752   | 227,604   | 262,099  | 650,265   | 37,177          | 189                               | 2,071,224   |
| Special mention                      | 999                                              | 12,975     | 4,850     | 10,324    | 7,074    | 22,186    | 408             | 41                                | 58,816      |
| Substandard                          | 287                                              | 2,421      | 5,878     | 8,679     | 1,972    | 47,213    | 457             | —                                 | 66,907      |
| Doubtful                             | —                                                | —          | —         | —         | —        | 10        | —               | —                                 | 10          |
| Total                                | 200,851                                          | 343,158    | 377,480   | 246,607   | 271,145  | 719,674   | 38,042          | 230                               | 2,196,957   |
| Current period gross charge-offs     | —                                                | —          | —         | 39        | —        | 575       | —               | —                                 | 614         |
| <b>Commercial and industrial</b>     |                                                  |            |           |           |          |           |                 |                                   |             |
| Pass                                 | 225,894                                          | 180,068    | 212,938   | 86,934    | 55,434   | 132,675   | 213,714         | 38                                | 1,107,657   |
| Special mention                      | 540                                              | 12,051     | 533       | 9,723     | 4,722    | 6,336     | 16,236          | 8,614                             | 50,141      |
| Substandard                          | 78                                               | 6,441      | 5,104     | 5,617     | 1,602    | 6,278     | 1,889           | 779                               | 27,009      |
| Doubtful                             | —                                                | —          | —         | —         | —        | 179       | —               | —                                 | 179         |
| Total                                | 226,512                                          | 198,560    | 218,575   | 102,274   | 61,758   | 145,468   | 231,839         | 9,431                             | 1,184,986   |
| Current period gross charge-offs     | —                                                | 36         | 202       | 25        | 173      | 415       | —               | —                                 | 851         |
| <b>Premium finance</b>               |                                                  |            |           |           |          |           |                 |                                   |             |
| Pass                                 | 201,659                                          | 1,517      | 1         | —         | —        | —         | —               | —                                 | 203,177     |
| Total                                | 201,659                                          | 1,517      | 1         | —         | —        | —         | —               | —                                 | 203,177     |
| Current period gross charge-offs     | 25                                               | 97         | —         | —         | —        | —         | —               | —                                 | 122         |
| <b>Leases</b>                        |                                                  |            |           |           |          |           |                 |                                   |             |

### Term Loans at Amortized Cost by Origination Year

| <i>(Dollars in thousands)</i>           | 2023                | 2022                | 2021                | 2020              | 2019              | Prior               | Revolving Loans   | Revolving Loans Converted to Term | Total Loans         |
|-----------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-----------------------------------|---------------------|
| <i>Pass</i>                             | 216,559             | 114,327             | 51,307              | 14,061            | 4,883             | 1,501               | —                 | —                                 | 402,638             |
| <i>Special mention</i>                  | 363                 | 1,529               | 476                 | 81                | 1                 | 5                   | —                 | —                                 | 2,455               |
| <i>Substandard</i>                      | 1,937               | 3,006               | 2,944               | 448               | 321               | 311                 | —                 | —                                 | 8,967               |
| <b>Total</b>                            | <b>218,859</b>      | <b>118,862</b>      | <b>54,727</b>       | <b>14,590</b>     | <b>5,205</b>      | <b>1,817</b>        | <b>—</b>          | <b>—</b>                          | <b>414,060</b>      |
| Current period gross charge-offs        | 963                 | 1,328               | 1,173               | 233               | 165               | 135                 |                   |                                   | 3,997               |
| <b>Residential real estate</b>          |                     |                     |                     |                   |                   |                     |                   |                                   |                     |
| <i>Pass</i>                             | 75,957              | 91,506              | 140,157             | 58,144            | 45,507            | 369,552             | —                 | —                                 | 780,823             |
| <i>Substandard</i>                      | 43                  | 243                 | 585                 | 182               | 529               | 8,604               | —                 | —                                 | 10,186              |
| <i>Loss</i>                             | —                   | —                   | —                   | —                 | —                 | 86                  | —                 | —                                 | 86                  |
| <b>Total</b>                            | <b>76,000</b>       | <b>91,749</b>       | <b>140,742</b>      | <b>58,326</b>     | <b>46,036</b>     | <b>378,242</b>      | <b>—</b>          | <b>—</b>                          | <b>791,095</b>      |
| Current period gross charge-offs        | —                   | —                   | —                   | —                 | —                 | 170                 |                   |                                   | 170                 |
| <b>Home equity lines of credit</b>      |                     |                     |                     |                   |                   |                     |                   |                                   |                     |
| <i>Pass</i>                             | 39,706              | 42,565              | 33,406              | 19,838            | 14,297            | 57,482              | 27                | 1,346                             | 207,321             |
| <i>Substandard</i>                      | 19                  | —                   | 61                  | 34                | 123               | 1,109               | —                 | —                                 | 1,346               |
| <i>Loss</i>                             | —                   | —                   | —                   | —                 | —                 | 8                   | —                 | —                                 | 8                   |
| <b>Total</b>                            | <b>39,725</b>       | <b>42,565</b>       | <b>33,467</b>       | <b>19,872</b>     | <b>14,420</b>     | <b>58,599</b>       | <b>27</b>         | <b>1,346</b>                      | <b>208,675</b>      |
| Current period gross charge-offs        | —                   | —                   | —                   | —                 | —                 | 110                 |                   |                                   | 110                 |
| <b>Consumer, indirect</b>               |                     |                     |                     |                   |                   |                     |                   |                                   |                     |
| <i>Pass</i>                             | 247,829             | 225,225             | 96,698              | 59,044            | 18,644            | 15,977              | —                 | —                                 | 663,417             |
| <i>Substandard</i>                      | 333                 | 934                 | 789                 | 558               | 190               | 206                 | —                 | —                                 | 3,010               |
| <i>Loss</i>                             | 7                   | 34                  | 2                   | —                 | 2                 | —                   | —                 | —                                 | 45                  |
| <b>Total</b>                            | <b>248,169</b>      | <b>226,193</b>      | <b>97,489</b>       | <b>59,602</b>     | <b>18,836</b>     | <b>16,183</b>       | <b>—</b>          | <b>—</b>                          | <b>666,472</b>      |
| Current period gross charge-offs        | 609                 | 2,091               | 865                 | 255               | 63                | 147                 |                   |                                   | 4,030               |
| <b>Consumer, direct</b>                 |                     |                     |                     |                   |                   |                     |                   |                                   |                     |
| <i>Pass</i>                             | 58,445              | 37,050              | 17,434              | 8,282             | 3,185             | 4,081               | —                 | —                                 | 128,477             |
| <i>Substandard</i>                      | 55                  | 79                  | 47                  | 28                | 30                | 27                  | —                 | —                                 | 266                 |
| <i>Loss</i>                             | —                   | —                   | —                   | —                 | —                 | 26                  | —                 | —                                 | 26                  |
| <b>Total</b>                            | <b>58,500</b>       | <b>37,129</b>       | <b>17,481</b>       | <b>8,310</b>      | <b>3,215</b>      | <b>4,134</b>        | <b>—</b>          | <b>—</b>                          | <b>128,769</b>      |
| Current period gross charge-offs        | 36                  | 154                 | 77                  | 100               | 14                | 35                  |                   |                                   | 416                 |
| <b>Deposit account overdrafts</b>       |                     |                     |                     |                   |                   |                     |                   |                                   |                     |
|                                         | 986                 | —                   | —                   | —                 | —                 | —                   | —                 | —                                 | 986                 |
| Current period gross charge-offs        | 1,161               |                     |                     |                   |                   |                     |                   |                                   | 1,161               |
| <b>Total loans, at amortized cost</b>   | <b>\$ 1,352,734</b> | <b>\$ 1,206,325</b> | <b>\$ 1,025,875</b> | <b>\$ 536,750</b> | <b>\$ 430,610</b> | <b>\$ 1,336,994</b> | <b>\$ 269,908</b> | <b>\$ 11,007</b>                  | <b>\$ 6,159,196</b> |
| <b>Current period gross charge-offs</b> | <b>\$ 2,794</b>     | <b>\$ 3,706</b>     | <b>\$ 2,326</b>     | <b>\$ 652</b>     | <b>\$ 415</b>     | <b>\$ 1,587</b>     |                   |                                   | <b>\$ 11,480</b>    |

### Collateral Dependent Loans

Peoples has certain loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty. The underlying collateral can vary based upon the type of loan. The following provides more detail about the types of collateral that secure collateral dependent loans:

- Construction loans are typically secured by owner occupied commercial real estate or non-owner occupied investment real estate. Typically, owner occupied construction loans are secured by office buildings, warehouses, manufacturing facilities,



and other commercial and industrial properties that are in process of construction. Non-owner occupied commercial construction loans are generally secured by multi-family complexes, warehouse buildings, industrial buildings, land under development, and other commercial real estate in process of construction.

- Commercial real estate loans can be secured by either owner occupied commercial real estate or non-owner occupied investment commercial real estate. Typically, owner occupied commercial real estate loans are secured by office buildings, warehouses, manufacturing facilities, and other commercial and industrial properties occupied by operating companies. Non-owner occupied commercial real estate loans are generally secured by multifamily complexes, retail facilities, office buildings and complexes, warehouses, industrial buildings, land under development, as well as other commercial real estate.
- Commercial and industrial loans are generally secured by equipment, inventory, accounts receivable, and other commercial property.
- Residential real estate loans are typically secured by first mortgages, and in some cases could be secured by a second mortgage, on residential real estate property.
- Home equity lines of credit are generally secured by second mortgages on residential real estate property.
- Consumer loans are generally secured by automobiles, motorcycles, recreational vehicles and other personal property. Some consumer loans are unsecured and have no underlying collateral.
- Leases are secured by commercial equipment and other essential business assets.
- Premium finance loans are secured by the unearned portion of the insurance premium being financed.

The following table details Peoples' amortized cost of collateral dependent loans:

| <i>(Dollars in thousands)</i>           |           | June 30, 2024  | December 31, 2023 |
|-----------------------------------------|-----------|----------------|-------------------|
|                                         |           | Amortized Cost | Amortized Cost    |
| Commercial real estate, other           | \$        | 689            | \$ —              |
| Leases                                  |           | 2,479          | —                 |
| Residential real estate                 |           | —              | 501               |
| <b>Total collateral dependent loans</b> | <b>\$</b> | <b>3,168</b>   | <b>\$ 501</b>     |

The increase in collateral dependent loans at June 30, 2024, compared to December 31, 2023, was primarily due to the addition of ten leases associated with three customer relationships during the three months ended June 30, 2024.

#### Modifications for Borrowers Experiencing Financial Difficulty

As part of Peoples' loss mitigation activities, Peoples may agree to modify the contractual terms of a loan to a borrower experiencing financial difficulty. The most common modifications to the contractual terms of a loan to a borrower experiencing financial difficulty include an extension of the maturity date, a reduction in the interest rate for the remaining life of the loan, a temporary period of interest-only payments, and a reduction in the contractual payment amount for either a short period or the remaining term of the loan.

In addition to loan modifications, Peoples also provides other loss mitigation options, such as forbearance and repayment plans, to assist borrowers who experience financial difficulties. In assessing whether or not a borrower is experiencing financial difficulty, Peoples considers information currently available regarding the financial condition of the borrower. This information includes, but is not limited to, whether (1) the borrower is currently in payment default on any of the borrower's debt; (2) a payment default is probable in the foreseeable future without the modification; (3) the borrower has declared or is in the process of declaring bankruptcy; and (4) the borrower's projected cash flow is insufficient to satisfy contractual payments due under the original terms of the loan without a modification.

The following tables display the amortized cost of loans that were restructured during the three and six months ended June 30, 2024 and June 30, 2023, presented by loan classification.

| (Dollars in thousands)                             | Payment Delay (Only) |                 |                 | Percentage of Total by Loan Category <sup>(a)(b)(c)</sup> |          |
|----------------------------------------------------|----------------------|-----------------|-----------------|-----------------------------------------------------------|----------|
|                                                    | Payment Deferral     | Term Extension  | Total           |                                                           |          |
| <b>During the Three Months Ended June 30, 2024</b> |                      |                 |                 |                                                           |          |
| Commercial and industrial                          | —                    | 687             | 687             | 0.05                                                      | %        |
| Leasing                                            | 174                  | —               | 174             | 0.04                                                      | %        |
| Home equity lines of credit                        | —                    | 64              | 64              | 0.03                                                      | %        |
| Consumer, indirect                                 | —                    | 8               | 8               | —                                                         | %        |
| <b>Total</b>                                       | <b>\$ 174</b>        | <b>\$ 759</b>   | <b>\$ 933</b>   | <b>0.01</b>                                               | <b>%</b> |
| <b>During the Three Months Ended June 30, 2023</b> |                      |                 |                 |                                                           |          |
| Commercial real estate                             | —                    | 48              | 48              | —                                                         | %        |
| Commercial and industrial                          | —                    | 3,319           | 3,319           | 0.29                                                      | %        |
| <b>Total</b>                                       | <b>\$ —</b>          | <b>\$ 3,367</b> | <b>\$ 3,367</b> | <b>0.06</b>                                               | <b>%</b> |

<sup>(a)</sup> Based on the amortized cost basis as of period end, divided by the period end amortized cost basis of the corresponding class of financing receivable.

<sup>(b)</sup> The table presented above excludes loans that were paid off or otherwise no longer included in the loan portfolio of period end.

<sup>(c)</sup> Each with --% not meaningful

| (Dollars in thousands)                    | Payment Delay (Only) |                  |           | Term Extension | Forbearance Plan and Term Extension | Total | Percentage of Total by Loan Category <sup>(a)(b)(c)</sup> |  |
|-------------------------------------------|----------------------|------------------|-----------|----------------|-------------------------------------|-------|-----------------------------------------------------------|--|
|                                           | Forbearance Plan     | Payment Deferral |           |                |                                     |       |                                                           |  |
| During the Six Months Ended June 30, 2024 |                      |                  |           |                |                                     |       |                                                           |  |
| Commercial real estate                    | —                    | —                | \$ 561    | \$ —           | \$ 561                              | 0.03  | %                                                         |  |
| Commercial and industrial                 | —                    | —                | 11,171    | —              | 11,171                              | 0.89  | %                                                         |  |
| Leasing                                   | —                    | 199              | —         | —              | 199                                 | 0.05  | %                                                         |  |
| Residential real estate                   | —                    | —                | 76        | —              | 76                                  | 0.01  | %                                                         |  |
| Home equity lines of credit               | —                    | —                | 64        | —              | 64                                  | 0.03  | %                                                         |  |
| Consumer, indirect                        | —                    | —                | 8         | —              | 8                                   | —     | %                                                         |  |
| Total                                     | \$ —                 | \$ 199           | \$ 11,880 | \$ —           | \$ 12,079                           | 0.19  | %                                                         |  |
| During the Six Months Ended June 30, 2023 |                      |                  |           |                |                                     |       |                                                           |  |
| Construction                              | \$ —                 | \$ 1,600         | \$ —      | \$ —           | \$ 1,600                            | 0.38  | %                                                         |  |
| Commercial real estate                    | 194                  | —                | 48        | —              | 242                                 | 0.01  | %                                                         |  |
| Commercial and industrial                 | —                    | —                | 3,325     | 306            | 3,631                               | 0.31  | %                                                         |  |
| Residential real estate                   | —                    | —                | 220       | —              | 220                                 | 0.03  | %                                                         |  |
| Total                                     | \$ 194               | \$ 1,600         | \$ 3,593  | \$ 306         | \$ 5,693                            | 0.10  | %                                                         |  |

<sup>(a)</sup> Based on the amortized cost basis as of period end, divided by the period end amortized cost basis of the corresponding class of financing receivable.

<sup>(b)</sup> The table presented above excludes loans that were paid off or otherwise no longer included in the loan portfolio as of period end.

<sup>(c)</sup> Each with --% not meaningful

The following tables summarizes the financial impacts of loan modifications and payment deferrals made to loans during both the three and six months ended June 30, 2024 and June 30, 2023, presented by loan classification.

|                                                    | Weighted-Average Term<br>Extension<br>(in months) | Average Amount<br>Capitalized as a Result of<br>a Payment Delay <sup>(a)</sup> |
|----------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------|
| <b>During the Three Months Ended June 30, 2024</b> |                                                   |                                                                                |
| Commercial and industrial                          | 28                                                | —                                                                              |
| Home equity lines of credit                        | 120                                               | —                                                                              |
| Consumer, indirect                                 | 2                                                 | —                                                                              |
| <b>During the Three Months Ended June 30, 2023</b> |                                                   |                                                                                |
| Commercial real estate                             | 12                                                | —                                                                              |
| Commercial and industrial                          | 5                                                 | —                                                                              |

<sup>(a)</sup> Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

|                                                  | Weighted-Average Term<br>Extension<br>(in months) | Average Amount<br>Capitalized as a Result of<br>a Payment Delay <sup>(a)</sup> |
|--------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------|
| <b>During the Six Months Ended June 30, 2024</b> |                                                   |                                                                                |
| Commercial real estate                           | 6                                                 | \$ —                                                                           |
| Commercial and industrial                        | 7                                                 | —                                                                              |
| Leasing                                          | 9                                                 | —                                                                              |
| Residential real estate                          | 2                                                 | —                                                                              |
| Home equity lines of credit                      | 120                                               | —                                                                              |
| Consumer, indirect                               | 2                                                 | —                                                                              |
| <b>During the Six Months Ended June 30, 2023</b> |                                                   |                                                                                |
| Commercial real estate                           | 12                                                | —                                                                              |
| Commercial and industrial                        | 5                                                 | —                                                                              |
| Residential real estate                          | 210                                               | 8,969                                                                          |
| Consumer, indirect                               | 2                                                 | —                                                                              |

<sup>(a)</sup> Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

The following tables display the amortized cost of loans that received a completed modification or payment deferral within the previous 12 months and that had a payment default in the periods presented. For purposes of this disclosure, Peoples defines loans that had a payment default as loans that were 90 days or more past due following a modification.

**Payment Delay as a Result of a  
Payment Deferral (Only)<sup>(a)</sup>**

|                                                                       |           |            |
|-----------------------------------------------------------------------|-----------|------------|
| <b>For the Three Months Ended June 30, 2024</b>                       |           |            |
| Commercial real estate                                                | \$        | 193        |
| Commercial and industrial                                             | \$        | 28         |
| Residential real estate                                               | \$        | 76         |
| <b>Total loans that subsequently defaulted</b>                        | <b>\$</b> | <b>297</b> |
| <b>For the Six Months Ended June 30, 2024</b>                         |           |            |
| Commercial real estate                                                | \$        | 193        |
| Commercial and industrial                                             | \$        | 31         |
| Residential real estate                                               | \$        | 76         |
| <b>Total loans that subsequently defaulted</b>                        | <b>\$</b> | <b>300</b> |
| <b>For the Three and Six Month Ended June 30, 2023 <sup>(b)</sup></b> |           |            |
| Consumer, indirect                                                    | \$        | 11         |
| <b>Total loans that subsequently defaulted</b>                        | <b>\$</b> | <b>11</b>  |

<sup>(a)</sup> Represents the sum of amortized cost and gross charge-off as of period end. Excludes loans that liquidated either through foreclosure, deed-in-lieu of foreclosure, or a short sale.

<sup>(b)</sup> Accounting standard was implemented as of January 1, 2023, thus information above reflects loan modifications made on or after that date.

The following table displays an aging analysis of loans that were modified during the 12 months prior to June 30, 2024, presented by classification and class of financing receivable.

| <b>As of June 30, 2024</b>                |                                  |                                  |                                |                         |                  |                  |  |  |  |
|-------------------------------------------|----------------------------------|----------------------------------|--------------------------------|-------------------------|------------------|------------------|--|--|--|
| <i>(Dollars in thousands)</i>             | <b>30-59 Days<br/>Delinquent</b> | <b>60-89 Days<br/>Delinquent</b> | <b>90+ Days<br/>Delinquent</b> | <b>Total Delinquent</b> | <b>Current</b>   | <b>Total</b>     |  |  |  |
| Construction                              | \$ —                             | \$ 70                            | \$ —                           | \$ 70                   | \$ —             | \$ 70            |  |  |  |
| Commercial real estate                    | —                                | —                                | 193                            | 193                     | 2,321            | 2,514            |  |  |  |
| Commercial and industrial                 | —                                | —                                | 31                             | 31                      | 12,583           | 12,614           |  |  |  |
| Leasing                                   | —                                | —                                | —                              | —                       | 199              | 199              |  |  |  |
| Residential real estate                   | —                                | —                                | 76                             | 76                      | 25               | 101              |  |  |  |
| Home equity lines of credit               | —                                | —                                | —                              | —                       | 122              | 122              |  |  |  |
| Consumer, indirect                        | —                                | —                                | —                              | —                       | 8                | 8                |  |  |  |
| <b>Total loans modified<sup>(a)</sup></b> | <b>\$ —</b>                      | <b>\$ 70</b>                     | <b>\$ 300</b>                  | <b>\$ 370</b>           | <b>\$ 15,258</b> | <b>\$ 15,628</b> |  |  |  |

<sup>(a)</sup> Represents the amortized cost basis as of period end.

The following table displays an aging analysis of loans that were modified on or after January 1, 2023, the date Peoples adopted ASU 2022-02, through June 30, 2023, presented by classification and class of financing receivable.

As of June 30, 2023

| <i>(Dollars in thousands)</i>             | 30-59 Days<br>Delinquent | 60-89 Days<br>Delinquent | 90+ Days<br>Delinquent | Total Delinquent | Current         | Total           |
|-------------------------------------------|--------------------------|--------------------------|------------------------|------------------|-----------------|-----------------|
| Construction                              | \$ —                     | \$ —                     | \$ —                   | \$ —             | \$ 1,600        | \$ 1,600        |
| Commercial real estate                    | —                        | —                        | —                      | —                | 242             | 242             |
| Commercial and industrial                 | —                        | —                        | —                      | —                | 3,631           | 3,631           |
| Residential real estate                   | —                        | —                        | —                      | —                | 220             | 220             |
| <b>Total loans modified<sup>(a)</sup></b> | <b>\$ —</b>              | <b>\$ —</b>              | <b>\$ —</b>            | <b>\$ —</b>      | <b>\$ 5,693</b> | <b>\$ 5,693</b> |

<sup>(a)</sup> Represents the amortized cost basis as of period end.

#### Allowance for Credit Losses

As discussed in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K, Peoples estimates the allowance for credit losses using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. In management's estimation of expected credit losses, Peoples uses a one-year reasonable and supportable period across all segments. Following the reasonable and supportable period, Peoples reverts the macroeconomic variables to their long run average over a four-quarter reversion period.

Changes in the allowance for credit losses for the three and six months ended June 30, 2024 and June 30, 2023 are summarized below:

| <i>(Dollars in thousands)</i>    | Beginning<br>Balance, March 31,<br>2024 | Initial Allowance<br>for Acquired PCD<br>Assets | (Recovery of)<br>Provision for Credit<br>Losses (a) | Charge-offs         | Recoveries    | Ending Balance,<br>June 30, 2024 |
|----------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------------------|---------------------|---------------|----------------------------------|
| Construction                     | \$ 701                                  | \$ —                                            | \$ ( 28 )                                           | \$ —                | \$ —          | \$ 673                           |
| Commercial real estate,<br>other | 21,788                                  | —                                               | ( 1,856 )                                           | —                   | ( 80 )        | 19,852                           |
| Commercial and industrial        | 10,581                                  | —                                               | 408                                                 | ( 56 )              | 10            | 10,943                           |
| Premium finance                  | 607                                     | —                                               | 207                                                 | ( 55 )              | 4             | 763                              |
| Leases                           | 12,889                                  | —                                               | 4,533                                               | ( 2,377 )           | 173           | 15,218                           |
| Residential real estate          | 5,866                                   | —                                               | 69                                                  | ( 64 )              | 68            | 5,939                            |
| Home equity lines of credit      | 1,689                                   | —                                               | 57                                                  | ( 9 )               | —             | 1,737                            |
| Consumer, indirect               | 8,301                                   | —                                               | 1,803                                               | ( 1,567 )           | 117           | 8,654                            |
| Consumer, direct                 | 2,279                                   | —                                               | 179                                                 | ( 141 )             | 15            | 2,332                            |
| Deposit account overdrafts       | 121                                     | —                                               | 286                                                 | ( 338 )             | 67            | 136                              |
| <b>Total</b>                     | <b>\$ 64,822</b>                        | <b>\$ —</b>                                     | <b>\$ 5,658</b>                                     | <b>\$ ( 4,607 )</b> | <b>\$ 374</b> | <b>\$ 66,247</b>                 |

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

| <i>(Dollars in thousands)</i>    | Beginning<br>Balance, March 31,<br>2023 | Initial Allowance<br>for Acquired PCD<br>Assets | Provision for<br>(Recovery of) Credit<br>Losses (a) | Charge-offs         | Recoveries    | Ending Balance,<br>June 30, 2023 |
|----------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------------------|---------------------|---------------|----------------------------------|
| Construction                     | \$ 1,273                                | \$ —                                            | \$ 223                                              | \$ —                | \$ —          | \$ 1,496                         |
| Commercial real estate,<br>other | 16,474                                  | 280                                             | 2,968                                               | ( 7 )               | 16            | 19,731                           |
| Commercial and industrial        | 8,307                                   | 376                                             | 1,905                                               | ( 11 )              | 451           | 11,028                           |
| Premium finance                  | 433                                     | —                                               | 18                                                  | ( 23 )              | 3             | 431                              |
| Leases                           | 9,109                                   | —                                               | 1,783                                               | ( 604 )             | 89            | 10,377                           |
| Residential real estate          | 6,504                                   | 254                                             | ( 656 )                                             | ( 59 )              | 69            | 6,112                            |
| Home equity lines of credit      | 1,717                                   | 13                                              | 1                                                   | ( 55 )              | —             | 1,676                            |
| Consumer, indirect               | 7,781                                   | —                                               | 641                                                 | ( 941 )             | 129           | 7,610                            |
| Consumer, direct                 | 1,619                                   | 85                                              | 981                                                 | ( 78 )              | 35            | 2,642                            |
| Deposit account overdrafts       | 86                                      | —                                               | 232                                                 | ( 263 )             | 53            | 108                              |
| <b>Total</b>                     | <b>\$ 53,303</b>                        | <b>\$ 1,008</b>                                 | <b>\$ 8,096</b>                                     | <b>\$ ( 2,041 )</b> | <b>\$ 845</b> | <b>\$ 61,211</b>                 |

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

| <i>(Dollars in thousands)</i>    | Beginning<br>Balance, December 31,<br>2023 | Initial Allowance<br>for Acquired PCD<br>Assets | Provision for<br>(Recovery of) Credit<br>Losses (a) | Charge-offs         | Recoveries    | Ending Balance,<br>June 30, 2024 |
|----------------------------------|--------------------------------------------|-------------------------------------------------|-----------------------------------------------------|---------------------|---------------|----------------------------------|
| Construction                     | \$ 699                                     | \$ —                                            | \$ ( 26 )                                           | \$ —                | \$ —          | \$ 673                           |
| Commercial real estate,<br>other | 20,915                                     | —                                               | ( 854 )                                             | ( 212 )             | 3             | 19,852                           |
| Commercial and industrial        | 10,490                                     | —                                               | 727                                                 | ( 291 )             | 17            | 10,943                           |
| Premium finance                  | 484                                        | —                                               | 376                                                 | ( 109 )             | 12            | 763                              |
| Leases                           | 10,850                                     | —                                               | 7,630                                               | ( 3,647 )           | 385           | 15,218                           |
| Residential real estate          | 5,937                                      | —                                               | ( 5 )                                               | ( 144 )             | 151           | 5,939                            |
| Home equity lines of credit      | 1,588                                      | —                                               | 151                                                 | ( 9 )               | 7             | 1,737                            |
| Consumer, indirect               | 8,590                                      | —                                               | 2,904                                               | ( 3,028 )           | 188           | 8,654                            |
| Consumer, direct                 | 2,343                                      | —                                               | 332                                                 | ( 367 )             | 24            | 2,332                            |
| Deposit account overdrafts       | 115                                        | —                                               | 554                                                 | ( 674 )             | 141           | 136                              |
| <b>Total</b>                     | <b>\$ 62,011</b>                           | <b>\$ —</b>                                     | <b>\$ 11,789</b>                                    | <b>\$ ( 8,481 )</b> | <b>\$ 928</b> | <b>\$ 66,247</b>                 |

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

| <i>(Dollars in thousands)</i>    | Beginning<br>Balance,<br>December 31, 2022 | Initial Allowance<br>for Acquired PCD<br>Assets | Provision for<br>(Recovery of) Credit<br>Losses (a) | Charge-offs         | Recoveries      | Ending Balance,<br>June 30, 2023 |
|----------------------------------|--------------------------------------------|-------------------------------------------------|-----------------------------------------------------|---------------------|-----------------|----------------------------------|
| Construction                     | \$ 1,250                                   | \$ —                                            | \$ 255                                              | \$ ( 9 )            | \$ —            | \$ 1,496                         |
| Commercial real estate,<br>other | 17,710                                     | 280                                             | 1,738                                               | ( 40 )              | 43              | 19,731                           |
| Commercial and industrial        | 8,229                                      | 376                                             | 1,984                                               | ( 12 )              | 451             | 11,028                           |
| Premium finance                  | 344                                        | —                                               | 121                                                 | ( 46 )              | 12              | 431                              |
| Leases                           | 8,495                                      | —                                               | 2,786                                               | ( 1,073 )           | 169             | 10,377                           |
| Residential real estate          | 6,357                                      | 254                                             | ( 497 )                                             | ( 100 )             | 98              | 6,112                            |
| Home equity lines of credit      | 1,693                                      | 13                                              | 44                                                  | ( 74 )              | —               | 1,676                            |
| Consumer, indirect               | 7,448                                      | —                                               | 1,824                                               | ( 1,870 )           | 208             | 7,610                            |
| Consumer, direct                 | 1,575                                      | 85                                              | 1,114                                               | ( 182 )             | 50              | 2,642                            |
| Deposit account overdrafts       | 61                                         | —                                               | 412                                                 | ( 490 )             | 125             | 108                              |
| <b>Total</b>                     | <b>\$ 53,162</b>                           | <b>\$ 1,008</b>                                 | <b>\$ 9,781</b>                                     | <b>\$ ( 3,896 )</b> | <b>\$ 1,156</b> | <b>\$ 61,211</b>                 |

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

During the second quarter of 2024, Peoples recorded a total provision for credit losses of \$ 5.7 million, which was a result of (i) higher net-charge offs, (ii) an increase of reserves on individually analyzed loans and leases, and (iii) loan growth. Net charge-offs for the second quarter of 2024 were \$ 4.2 million, primarily driven by an increase in charge-offs on leases originated by our North Star Leasing business, partially offset by decreases in net charge-offs on commercial and industrial loans and other commercial real estate loans. The increase in the allowance for credit losses at June 30, 2024 when compared to at March 31, 2024 and at December 31, 2023 was primarily due to an increase on reserves for individually analyzed loans and leases.

During the second quarter of 2023, Peoples recorded a provision for credit losses of \$ 8.1 million, largely attributable to a provision of \$ 9.4 million for the non-purchased credit deteriorated loans acquired in the Limestone Merger, partially offset by the release of reserves of \$ 1.7 million on individually analyzed loans and leases and a recovery of \$ 1.0 million due to improvements in macro-economic conditions. Net charge-offs for the second quarter of 2023 were \$ 1.2 million, primarily due to net charge-offs of indirect consumer loans of \$ 0.8 million.

Peoples had recorded an allowance for unfunded commitments of \$ 1.8 million and \$ 1.8 million as of June 30, 2024 and December 31, 2023, respectively. The allowance for unfunded commitments (also referred to as "unfunded commitment liability") is presented in the "Accrued expenses and other liabilities" line of the Unaudited Consolidated Balance Sheets. The change in the allowance for unfunded commitments is also reflected in the "Provision for (recovery of) credit losses" line of the Unaudited Consolidated Statements of Operations.

#### Note 5 Goodwill and Other Intangible Assets

##### Goodwill

The following table details changes in the recorded amount of goodwill:

| <i>(Dollars in thousands)</i>       | For the Six Months Ended<br>June 30, 2024 |                | For the Year Ended<br>December 31, 2023 |                |
|-------------------------------------|-------------------------------------------|----------------|-----------------------------------------|----------------|
| Goodwill, beginning of period       | \$                                        | 362,169        | \$                                      | 292,397        |
| Goodwill recorded from acquisitions |                                           | —              |                                         | 69,772         |
| <b>Goodwill, end of period</b>      | <b>\$</b>                                 | <b>362,169</b> | <b>\$</b>                               | <b>362,169</b> |

As of the close of business on April 30, 2023, Peoples completed its merger with Limestone Bancorp, Inc. ("Limestone") pursuant to an Agreement and Plan of Merger dated October 24, 2022, at which point Limestone merged with and into Peoples, and immediately thereafter, Limestone Bank, Inc., the subsidiary bank of Limestone, merged with and into Peoples Bank (collectively, the "Limestone Merger").

As of June 30, 2024, Peoples recorded \$ 68.8 million of Goodwill related to the Limestone Merger.

# Other Intangible Assets

Other intangible assets were comprised of the following at June 30, 2024, and at December 31, 2023:

| <i>(Dollars in thousands)</i>          | Core Deposits | Customer Relationships | Indefinite-Lived Trade Names | Total            |
|----------------------------------------|---------------|------------------------|------------------------------|------------------|
| <b>June 30, 2024</b>                   |               |                        |                              |                  |
| Gross intangibles                      | \$ 54,186     | \$ 37,920              | \$ 2,491                     | \$ 94,597        |
| Intangibles recorded from acquisitions | —             | —                      | —                            | —                |
| Accumulated amortization               | ( 28,606 )    | ( 23,196 )             | —                            | ( 51,802 )       |
| Total acquisition-related intangibles  | \$ 25,580     | \$ 14,724              | \$ 2,491                     | \$ 42,795        |
| Servicing rights                       |               |                        |                              | 1,204            |
| Non-compete agreements                 |               |                        |                              | 249              |
| <b>Total other intangibles</b>         |               |                        |                              | <b>\$ 44,248</b> |
| <b>December 31, 2023</b>               |               |                        |                              |                  |
| Gross intangibles                      | \$ 26,464     | \$ 37,920              | \$ 2,491                     | \$ 66,875        |
| Intangibles recorded from acquisitions | 27,722        | —                      | —                            | 27,722           |
| Accumulated amortization               | ( 25,670 )    | ( 20,680 )             | —                            | ( 46,350 )       |
| Total acquisition-related intangibles  | \$ 28,516     | \$ 17,240              | \$ 2,491                     | \$ 48,247        |
| Servicing rights                       |               |                        |                              | 1,385            |
| Non-compete agreements                 |               |                        |                              | 371              |
| <b>Total other intangibles</b>         |               |                        |                              | <b>\$ 50,003</b> |

As of June 30, 2024, Peoples recorded \$ 27.7 million of core deposit intangibles related to the Limestone Merger. Refer to "Note 13 Acquisitions" for additional information.

The following table details estimated aggregate future amortization of other intangible assets at June 30, 2024:

| <i>(Dollars in thousands)</i> | Core Deposits    | Customer Relationships | Non-Compete Agreements | Total            |
|-------------------------------|------------------|------------------------|------------------------|------------------|
| Remaining six months of 2024  | \$ 2,938         | \$ 2,512               | \$ 121                 | \$ 5,571         |
| 2025                          | 4,609            | 4,038                  | 112                    | \$ 8,759         |
| 2026                          | 3,736            | 2,954                  | 16                     | \$ 6,706         |
| 2027                          | 3,043            | 2,112                  | —                      | \$ 5,155         |
| 2028                          | 2,608            | 1,392                  | —                      | \$ 4,000         |
| Thereafter                    | 8,646            | 1,716                  | —                      | \$ 10,362        |
| <b>Total</b>                  | <b>\$ 25,580</b> | <b>\$ 14,724</b>       | <b>\$ 249</b>          | <b>\$ 40,553</b> |

The weighted average amortization period of other intangible assets is 8.5 years.



## Note 6 Deposits

Peoples' deposit balances were comprised of the following:

| <i>(Dollars in thousands)</i>            | June 30, 2024       | December 31, 2023   |
|------------------------------------------|---------------------|---------------------|
| Retail certificates of deposits ("CDs"): |                     |                     |
| \$100 or more                            | \$ 1,029,442        | \$ 815,300          |
| Less than \$100                          | 783,432             | 628,117             |
| Total Retail CDs                         | 1,812,874           | 1,443,417           |
| Interest-bearing deposit accounts        | 1,083,512           | 1,144,357           |
| Savings accounts                         | 880,542             | 919,244             |
| Money market deposit accounts            | 869,159             | 775,488             |
| Governmental deposit accounts            | 766,337             | 726,713             |
| Brokered CDs                             | 412,653             | 575,429             |
| Total interest-bearing deposits          | 5,825,077           | 5,584,648           |
| Non-interest-bearing deposits            | \$ 1,472,697        | 1,567,649           |
| <b>Total deposits</b>                    | <b>\$ 7,297,774</b> | <b>\$ 7,152,297</b> |

Uninsured deposits were \$ 2.0 billion at June 30, 2024 and at December 31, 2023. Uninsured deposit amounts are estimated based on the portion of the respective customer account balances that exceeded the FDIC limit of \$250,000. Peoples pledges investment securities against certain governmental deposit accounts, which covered over \$ 748.3 million of the uninsured deposit balances at June 30, 2024.

Uninsured time deposits are broken out below by time remaining until maturity.

| <i>(Dollars in thousands)</i> | June 30, 2024     | December 31, 2023 |
|-------------------------------|-------------------|-------------------|
| 3 months or less              | \$ 133,606        | \$ 58,708         |
| Over 3 to 6 months            | 164,129           | 99,928            |
| Over 6 to 12 months           | 95,038            | 131,263           |
| Over 12 months                | 19,725            | 37,180            |
| <b>Total</b>                  | <b>\$ 412,498</b> | <b>\$ 327,079</b> |

The contractual maturities of CDs for each of the next five years, including the remainder of 2024, and thereafter are as follows:

| <i>(Dollars in thousands)</i>                 | Retail              | Brokered          | Total               |
|-----------------------------------------------|---------------------|-------------------|---------------------|
| Remaining six months ending December 31, 2024 | \$ 1,286,633        | \$ 406,493        | \$ 1,693,126        |
| Year ending December 31, 2025                 | 470,615             | 5,023             | 475,638             |
| Year ending December 31, 2026                 | 21,250              | 224               | 21,474              |
| Year ending December 31, 2027                 | 24,032              | 913               | 24,945              |
| Year ending December 31, 2028                 | 7,452               | —                 | 7,452               |
| Thereafter                                    | 2,892               | —                 | 2,892               |
| <b>Total CDs</b>                              | <b>\$ 1,812,874</b> | <b>\$ 412,653</b> | <b>\$ 2,225,527</b> |

At June 30, 2024, Peoples had 9 effective interest rate swaps, with an aggregate notional value of \$ 85.0 million, all of which were funded by brokered CDs. Brokered CDs used to fund interest rate swaps are expected to be extended every 90 days through the maturity dates of the swaps. Additional information regarding Peoples' interest rate swaps can be found in "Note 10 Derivative Financial Instruments."

## Note 7 Stockholders' Equity

The following table details the progression in Peoples' common shares and treasury stock during the six months ended June 30, 2024:

|                                                                      | Common Shares     | Treasury Stock   |
|----------------------------------------------------------------------|-------------------|------------------|
| <b>Shares at December 31, 2023</b>                                   | <b>36,736,041</b> | <b>1,511,348</b> |
| Changes related to stock-based compensation awards:                  |                   |                  |
| Release of restricted common shares                                  | —                 | 27,633           |
| Cancellation of restricted common shares                             | —                 | 30,111           |
| Grant of restricted common shares                                    | —                 | ( 292,524 )      |
| Grant of unrestricted common shares                                  | —                 | ( 1,200 )        |
| Purchase of treasury stock                                           | —                 | 8,718            |
| Disbursed out of treasury stock                                      | —                 | ( 12,833 )       |
| Common shares repurchased under share repurchase program             | —                 | 100,905          |
| Common shares issued under dividend reinvestment plan                | 24,475            | —                |
| Common shares issued under compensation plan for Boards of Directors | —                 | ( 8,740 )        |
| Common shares issued under employee stock purchase plan              | —                 | ( 15,942 )       |
| <b>Shares at June 30, 2024</b>                                       | <b>36,760,516</b> | <b>1,347,476</b> |

On January 28, 2021, Peoples' Board of Directors approved a share repurchase program authorizing Peoples to purchase up to an aggregate of \$ 30.0 million of Peoples' outstanding common shares. As of June 30, 2024, Peoples had repurchased 471,307 common shares totaling \$ 13.4 million under the share repurchase program. There were 100,905 common shares totaling \$ 3.0 million repurchased during the first six months of 2024.

Under Peoples' Amended Articles of Incorporation, Peoples is authorized to issue up to 50,000 preferred shares, in one or more series, having such voting powers, designations, preferences, rights, qualifications, limitations and restrictions as designated by Peoples' Board of Directors. At June 30, 2024, Peoples had no preferred shares issued or outstanding.

On July 22, 2024, Peoples' Board of Directors declared a quarterly cash dividend of \$ 0.40 per common share, payable on August 19, 2024, to shareholders of record on August 5, 2024. The following table details the cash dividends declared per common share during the first three quarters of 2024 and the comparable periods of 2023:

|                                 | 2024      |             | 2023      |             |
|---------------------------------|-----------|-------------|-----------|-------------|
| First quarter                   | \$        | 0.39        | \$        | 0.38        |
| Second quarter                  |           | 0.40        |           | 0.39        |
| Third quarter                   |           | 0.40        |           | 0.39        |
| <b>Total dividends declared</b> | <b>\$</b> | <b>1.19</b> | <b>\$</b> | <b>1.16</b> |

#### Accumulated Other Comprehensive (Loss) Income

The following table details the change in the components of Peoples' accumulated other comprehensive (loss) income during the six months ended June 30, 2024:

| <i>(Dollars in thousands)</i>                                       | Unrealized (Loss)<br>Gain on Securities | Unrealized Gain on<br>Cash Flow Hedges | Accumulated Other<br>Comprehensive (Loss)<br>Income |
|---------------------------------------------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------------------|
| <b>Balance, December 31, 2023</b>                                   | <b>\$ (104,222 )</b>                    | <b>\$ 2,632</b>                        | <b>\$ (101,590 )</b>                                |
| Reclassification adjustments to net income:                         |                                         |                                        |                                                     |
| Realized loss on securities, net of tax                             | 272                                     | —                                      | 272                                                 |
| Other comprehensive (loss) income, net of reclassifications and tax | ( 8,733 )                               | ( 142 )                                | ( 8,875 )                                           |
| <b>Balance, June 30, 2024</b>                                       | <b>\$ (112,683 )</b>                    | <b>\$ 2,490</b>                        | <b>\$ (110,193 )</b>                                |

## Note 8 Employee Benefit Plans

Peoples sponsored a noncontributory defined benefit pension plan that covered substantially all employees hired before January 1, 2010. The plan provided retirement benefits based on an employee's years of service and compensation. For employees hired before January 1, 2003, the amount of post-retirement benefit was based on the employee's average monthly compensation over the highest five consecutive years out of the employee's last ten years with Peoples while an eligible employee. For employees hired on or after January 1, 2003, the amount of post-retirement benefit was based on 2 % of the employee's annual compensation during the years 2003 through 2009, plus accrued interest. During the third quarter of 2023, Peoples terminated its pension plan by settling the remaining benefit obligation of \$ 7.7 million. The pension plan had been closed to new entrants since January 1, 2010. Peoples recorded a settlement charge of \$ 2.4 million in the third quarter of 2023 in relation to the termination of the pension plan. Peoples does not anticipate further expenses related to the termination.

### Retirement Savings Plan

Peoples also maintains a retirement savings plan, or 401(k) plan, which covers substantially all employees. The plan provides participants with the opportunity to save for retirement on a tax-deferred basis. As of January 1, 2021, Peoples matches 100 % of participants' contributions up to 6 % of the participants' compensation. Matching contributions made by Peoples totaled \$ 3.1 million during the six months ended June 30, 2024 and \$ 2.7 million for the six months ended June 30, 2023.

## Note 9 Earnings Per Common Share

The calculations of basic and diluted earnings per common share were as follows:

|                                                                 | Three Months Ended |                   | Six Months Ended  |                   |
|-----------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
|                                                                 | June 30,           |                   | June 30,          |                   |
|                                                                 | 2024               | 2023              | 2024              | 2023              |
| <i>(Dollars in thousands, except per common share data)</i>     |                    |                   |                   |                   |
| Net income available to common shareholders                     | \$ 29,007          | \$ 21,096         | \$ 58,591         | \$ 47,656         |
| Less: Dividends paid on unvested common shares                  | ( 218 )            | 144               | ( 361 )           | 246               |
| Less: Undistributed income allocated to unvested common shares  | 55                 | 13                | 119               | 45                |
| <b>Net earnings allocated to common shareholders</b>            | <b>\$ 29,170</b>   | <b>\$ 20,939</b>  | <b>\$ 58,833</b>  | <b>\$ 47,365</b>  |
| Weighted-average common shares outstanding                      | 34,764,489         | 32,526,962        | 34,752,419        | 30,222,165        |
| Effect of potentially dilutive common shares                    | 353,159            | 123,014           | 319,131           | 92,339            |
| <b>Total weighted-average diluted common shares outstanding</b> | <b>35,117,648</b>  | <b>32,649,976</b> | <b>35,071,550</b> | <b>30,314,504</b> |
| <b>Earnings per common share:</b>                               |                    |                   |                   |                   |
| Basic                                                           | \$ 0.83            | \$ 0.64           | \$ 1.67           | \$ 1.57           |
| Diluted                                                         | \$ 0.82            | \$ 0.64           | \$ 1.66           | \$ 1.56           |
| <b>Anti-dilutive common shares excluded from calculation:</b>   |                    |                   |                   |                   |
| Restricted common shares                                        | 3,180              | 171,843           | 3,180             | 152,741           |

## Note 10 Derivative Financial Instruments

Peoples utilizes interest rate swap agreements as part of its asset/liability management strategy to help manage its interest rate risk position. The notional amount of the interest rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements. The fair value of derivative financial instruments is included in the "Other assets" and the "Accrued expenses and other liabilities" lines in the accompanying Unaudited Consolidated Balance Sheets, while cash activity related to these derivative financial instruments is included in the activity in "Net cash provided by operating activities" in the Unaudited Condensed Consolidated Statements of Cash Flows.

### Derivative Financial Instruments and Hedging Activities - Risk Management Objective of Using Derivative Financial Instruments

Peoples is exposed to certain risks arising from both its business operations and economic conditions. Peoples principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. Peoples manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of its assets and liabilities. Peoples also manages interest rate risk through the use of derivative financial instruments. Specifically, Peoples enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or

payment of future known or expected cash amounts, the values of which are determined by interest rates. Peoples' derivative financial instruments are used to manage differences in the amount, timing and duration of Peoples' known or expected cash receipts and its known or expected cash payments principally related to certain variable rate borrowings. Peoples also has interest rate derivative financial instruments that result from a service provided to certain qualifying customers and, therefore, are not used to manage interest rate risk in Peoples' assets or liabilities. Peoples manages a matched book with respect to customer-related derivative financial instruments in order to minimize its net risk exposure resulting from such transactions.

#### Cash Flow Hedges of Interest Rate Risk

Peoples' objectives in using interest rate derivative financial instruments are to add stability to interest income and expense, and to manage its exposure to interest rate movements. To accomplish these objectives, Peoples has entered into interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps are designated as cash flow hedges and involve the receipt of variable rate amounts from a counterparty in exchange for Peoples making fixed payments. At June 30, 2024, Peoples had entered into 9 interest rate swap contracts with an aggregate notional value of \$ 85.0 million. Peoples will pay a fixed rate of interest for up to ten years while receiving a floating rate component of interest equal to term SOFR. The interest received on the floating rate component is intended to offset the interest paid on rolling three-month brokered CDs, which will continue to be rolled through the life of the interest rate swaps. At both June 30, 2024 and at December 31, 2023, the interest rate swaps were designated as cash flow hedges of \$ 85.0 million and \$ 105.0 million, respectively, in brokered CDs, which are expected to be extended every 90 days through the maturity dates of the interest rate swaps.

For derivative financial instruments designated as cash flow hedges, the effective and ineffective portions of changes in the fair value of each derivative financial instrument is reported in accumulated other comprehensive (loss) income ("AOCI") (outside of earnings), net of tax, and are reclassified to interest expense as interest payments are made or received on Peoples' variable-rate liabilities. Peoples assesses the effectiveness of each hedging relationship by comparing the changes in cash flows of the hedging derivative financial instrument with the changes in cash flows of the designated hedged transaction. The reset dates and the payment dates on the brokered CDs are matched to the reset dates and payment dates on the receipt of the term SOFR rate (or the three-month LIBOR floating portion prior to June 30, 2023) of the swaps to ensure effectiveness of the cash flow hedge. For the six months ended June 30, 2024, and 2023, Peoples recorded reclassifications of losses to earnings of \$ 1.7 million and \$ 130,000, respectively. During the next twelve months, Peoples estimates that \$ 1.4 million of AOCI will be reclassified as an addition to interest expense.

The following table summarizes information about the interest rate swaps designated as cash flow hedges:

| <i>(Dollars in thousands)</i>                  | June 30,<br>2024 |           | December 31,<br>2023 |           |
|------------------------------------------------|------------------|-----------|----------------------|-----------|
| Notional amount                                | \$               | 85,000    | \$                   | 105,000   |
| Weighted average pay rates                     |                  | 2.34 %    |                      | 2.22 %    |
| Weighted average receive rates                 |                  | 5.00 %    |                      | 4.63 %    |
| Weighted average maturity                      |                  | 1.8 years |                      | 2.0 years |
| Pre-tax changes in fair value included in AOCI | \$               | 4,699     | \$                   | 3,434     |

The following table presents changes in fair value recorded in AOCI and in the Consolidated Statements of Operations related to the cash flow hedges:

| <i>(Dollars in thousands)</i>                      | Three Months Ended<br>June 30, |              | Six Months Ended<br>June 30, |        |
|----------------------------------------------------|--------------------------------|--------------|------------------------------|--------|
|                                                    | 2024                           | 2023         | 2024                         | 2023   |
| Amount of losses (gains) recorded in AOCI, pre-tax | \$ 443                         | \$ ( 1,073 ) | \$ 187                       | \$ 283 |

The following table reflects the cash flow hedges, which are included in the Unaudited Consolidated Balance Sheets at fair value:

| <i>(Dollars in thousands)</i>       | June 30,<br>2024   |            | December 31,<br>2023 |            |
|-------------------------------------|--------------------|------------|----------------------|------------|
|                                     | Notional<br>Amount | Fair Value | Notional Amount      | Fair Value |
| <b>Included in "Other assets":</b>  |                    |            |                      |            |
| Interest rate swaps related to debt | \$ 85,000          | \$ 3,146   | \$ 105,000           | \$ 3,314   |

#### Non-Designated Hedges

Peoples Bank maintains an interest rate protection program for commercial loan customers, which was established in 2010. Under this program, Peoples Bank originates variable rate loans with interest rate swaps, where the customer enters into an interest rate swap with Peoples Bank on terms that match the terms of the loan. By entering into the interest rate swap with the customer, Peoples Bank

effectively provides the customer with a fixed rate loan while creating a variable rate asset for Peoples Bank. Peoples Bank offsets its exposure in the interest rate swap by entering into an offsetting interest rate swap with an unaffiliated institution. These interest rate swaps do not qualify as designated hedges; therefore, each interest rate swap is accounted for as a standalone derivative financial instrument. These interest rate swaps did not have a material impact on Peoples' results of operations or financial condition at or for the three and six months ended June 30, 2024 and at or for the year ended December 31, 2023.

The following table reflects the non-designated hedges, which are included in the Unaudited Consolidated Balance Sheets at fair value:

| (Dollars in thousands)                                       | June 30,<br>2024 |            | December 31,<br>2023 |            |
|--------------------------------------------------------------|------------------|------------|----------------------|------------|
|                                                              | Notional Amount  | Fair Value | Notional Amount      | Fair Value |
| <b>Included in "Other assets":</b>                           |                  |            |                      |            |
| Interest rate swaps related to commercial loans              | \$ 390,963       | \$ 20,542  | \$ 416,106           | \$ 18,990  |
| <b>Included in "Accrued expenses and other liabilities":</b> |                  |            |                      |            |
| Interest rate swaps related to commercial loans              | \$ 390,963       | \$ 20,643  | \$ 416,106           | \$ 19,122  |

#### Pledged Collateral

Peoples Bank pledges or receives collateral for all interest rate swaps. When the fair value of Peoples Bank interest rate swaps is in a net liability position, Peoples Bank must pledge collateral, and, when the fair value of Peoples Bank interest rate swaps is in a net asset position, the respective counterparties must pledge collateral. At June 30, 2024 and at December 31, 2023, Peoples Bank had no cash pledged, while counterparties had \$ 15.4 million of cash pledged at June 30, 2024 and \$ 12.8 million of cash pledged at December 31, 2023. Peoples Bank had no pledged investment securities at June 30, 2024 or at December 31, 2023, while the counterparties had pledged investment securities in the amounts of \$ 2.0 million at June 30, 2024 and \$ 2.2 million at December 31, 2023.

#### Note 11 Stock-Based Compensation

Under the Peoples Bancorp Inc. Fourth Amended and Restated 2006 Equity Plan (the "2006 Equity Plan"), Peoples may grant, among other awards, nonqualified stock options, incentive stock options, restricted common share awards, stock appreciation rights, performance units and unrestricted common share awards to employees and non-employee directors. The total number of common shares available under the 2006 Equity Plan is 1,493,297. The maximum number of common shares that can be issued for incentive stock options is 750,000. Since February 2009, Peoples has granted restricted common shares to employees, and periodically to non-employee directors, subject to the terms and conditions prescribed by the 2006 Equity Plan. In general, common shares issued in connection with stock-based awards are issued from treasury shares to the extent available. If no treasury shares are available, common shares are issued from authorized but unissued common shares.

#### Restricted Common Shares

Under the 2006 Equity Plan, Peoples may award restricted common shares to officers, key employees and non-employee directors. In general, the restrictions on the restricted common shares awarded to officers and key employees expire after periods ranging from one to five years. Since 2018, common shares awarded to non-employee directors have vested immediately upon grant with no restrictions. In the first six months of 2024, Peoples granted an aggregate of 283,712 restricted common shares subject to performance-based vesting to officers and key employees with restrictions that will lapse three years after the grant date; provided that in order for the restricted common shares to vest in full, Peoples must have reported positive net income and maintained a well-capitalized status by regulatory standards for each of the three fiscal years preceding the vesting date.

The following table summarizes the changes to Peoples' restricted common shares for the six months ended June 30, 2024:

|                                     | Time-Based Vesting         |                                           | Performance-Based Vesting  |                                           |
|-------------------------------------|----------------------------|-------------------------------------------|----------------------------|-------------------------------------------|
|                                     | Number of Common<br>Shares | Weighted-Average<br>Grant Date Fair Value | Number of Common<br>Shares | Weighted-Average<br>Grant Date Fair Value |
| Outstanding at January 1, 2024      | 142,419                    | \$ 28.78                                  | 403,970                    | \$ 31.21                                  |
| Awarded                             | 8,812                      | 28.93                                     | 283,712                    | 27.92                                     |
| Released                            | ( 12,357 )                 | 32.37                                     | ( 72,550 )                 | 31.48                                     |
| Forfeited                           | ( 9,779 )                  | 29.65                                     | ( 20,332 )                 | 29.41                                     |
| <b>Outstanding at June 30, 2024</b> | <b>129,095</b>             | <b>\$ 28.38</b>                           | <b>594,800</b>             | <b>\$ 29.67</b>                           |

For the six months ended June 30, 2024, the intrinsic value for restricted common shares released was \$ 2.4 million compared to \$ 2.5 million for the six months ended June 30, 2023.

### Stock-Based Compensation

Peoples recognizes stock-based compensation, which is included as a component of Peoples' salaries and employee benefit costs, for restricted and unrestricted common shares, as well as purchases made by participants in the employee stock purchase plan. For restricted common shares, Peoples recognizes stock-based compensation based on the estimated fair value of the awards expected to vest on the grant date. The estimated fair value is then expensed over the vesting period, which is normally three years. Peoples also has an employee stock purchase plan whereby employees can purchase Peoples' common shares at a discount of 15 %. The following table summarizes the amount of stock-based compensation expense and related tax benefit recognized for each period:

| (Dollars in thousands)                                 | Three Months Ended<br>June 30, |               | Six Months Ended<br>June 30, |                 |
|--------------------------------------------------------|--------------------------------|---------------|------------------------------|-----------------|
|                                                        | 2024                           | 2023          | 2024                         | 2023            |
| <b>Employee stock-based compensation expense:</b>      |                                |               |                              |                 |
| Stock grant expense                                    | \$ 1,278                       | \$ 1,009      | \$ 4,303                     | \$ 3,159        |
| Employee stock purchase plan expense                   | 73                             | 34            | 139                          | 73              |
| Total employee stock-based compensation expense        | 1,351                          | 1,043         | \$ 4,442                     | \$ 3,232        |
| Non-employee director stock-based compensation expense | 123                            | 135           | \$ 261                       | \$ 271          |
| Total stock-based compensation expense                 | 1,474                          | 1,178         | \$ 4,703                     | \$ 3,503        |
| Recognized tax benefit                                 | ( 344 )                        | ( 282 )       | ( 1,096 )                    | ( 825 )         |
| <b>Net stock-based compensation expense</b>            | <b>\$ 1,130</b>                | <b>\$ 896</b> | <b>\$ 3,607</b>              | <b>\$ 2,678</b> |

The fair value of restricted common share awards on the grant date is the market price of Peoples' common shares on that date. Total unrecognized stock-based compensation expense related to unvested restricted common share awards was \$ 8.2 million at June 30, 2024, which will be recognized over a weighted-average period of 2.2 years.

### Note 12 Revenue

The following table details Peoples' revenue from contracts with customers:

| (Dollars in thousands)                                  | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|---------------------------------------------------------|--------------------------------|------------------|------------------------------|------------------|
|                                                         | 2024                           | 2023             | 2024                         | 2023             |
| <b>Insurance income:</b>                                |                                |                  |                              |                  |
| Commission and fees from sale of insurance policies (a) | \$ 4,104                       | \$ 3,969         | \$ 8,389                     | \$ 7,867         |
| Performance-based commissions (b)                       | 5                              | 35               | 2,218                        | 1,562            |
| <b>Trust and investment income:</b>                     |                                |                  |                              |                  |
| Fiduciary income (a)                                    | 3,010                          | 2,747            | 5,767                        | 5,204            |
| Brokerage income (a)                                    | 1,989                          | 1,667            | 3,831                        | 3,294            |
| <b>Electronic banking income:</b>                       |                                |                  |                              |                  |
| Interchange income (a)                                  | 5,086                          | 5,036            | 9,883                        | 9,217            |
| Promotional and usage income (a)                        | 1,384                          | 1,430            | 2,633                        | 2,692            |
| <b>Deposit account service charges:</b>                 |                                |                  |                              |                  |
| Ongoing maintenance fees for deposit accounts (a)       | 1,716                          | 1,623            | 3,434                        | 3,084            |
| Transaction-based fees (b)                              | 2,623                          | 2,530            | 5,128                        | 4,592            |
| Commercial loan swap fees (b)                           | 59                             | 118              | 111                          | 118              |
| Other non-interest income transaction-based fees (b)    | 589                            | 378              | 1,093                        | 808              |
| <b>Total revenue from contracts with customers</b>      | <b>\$ 20,565</b>               | <b>\$ 19,533</b> | <b>\$ 42,487</b>             | <b>\$ 38,438</b> |
| <b>Timing of revenue recognition:</b>                   |                                |                  |                              |                  |
| Services transferred over time                          | \$ 17,289                      | \$ 16,472        | \$ 33,937                    | \$ 31,358        |
| Services transferred at a point in time                 | 3,276                          | 3,061            | 8,550                        | 7,080            |
| <b>Total revenue from contracts with customers</b>      | <b>\$ 20,565</b>               | <b>\$ 19,533</b> | <b>\$ 42,487</b>             | <b>\$ 38,438</b> |

(a) Services transferred over time.

(b) Services transferred at a point in time.

Peoples records contract assets for income that has been recognized over a period of time for fulfillment of performance obligations, but has not yet been received related to electronic banking income and certain insurance income. This income typically relates to bonuses for which Peoples is eligible, but will not receive until a certain time in the future. Peoples records contract liabilities for payments received for commission income related to the sale of insurance policies, for which the performance obligations have not yet been fulfilled. The contract liabilities are recognized as income over time, during the period in which the performance obligations are fulfilled, which is over the insurance policy period. Peoples also records contract liabilities for bonuses received related to electronic banking income, for which the performance obligations have not yet been fulfilled. The contract liabilities are recognized as income over time, during the period in which the performance obligations are fulfilled related to electronic banking income.

The following table details the changes in Peoples' contract assets and contract liabilities for the six-month period ended June 30, 2024:

| <i>(Dollars in thousands)</i>             | <b>Contract Assets</b> |            | <b>Contract Liabilities</b> |              |
|-------------------------------------------|------------------------|------------|-----------------------------|--------------|
| Balance, January 1, 2024                  | \$                     | 753        | \$                          | 5,776        |
| Additional income receivable              |                        | 81         |                             | —            |
| Additional deferred income                |                        | —          |                             | 117          |
| Receipt of income previously receivable   |                        | ( 45 )     |                             | —            |
| Recognition of income previously deferred |                        | —          |                             | ( 93 )       |
| <b>Balance, June 30, 2024</b>             | <b>\$</b>              | <b>789</b> | <b>\$</b>                   | <b>5,800</b> |

### Note 13 Acquisitions

#### Limestone Bancorp, Inc.

As of the close of business on April 30, 2023, Peoples completed the Limestone Merger. In connection with the Limestone Merger, Limestone Bank, Inc., which operated 20 branches in Kentucky, merged into Peoples Bank. As consideration in the Limestone Merger, Limestone shareholders were paid 0.90 common shares of Peoples for each full share of Limestone that was owned at the merger date, resulting in the issuance of 6,827,668 common shares by Peoples, or aggregate consideration of \$ 177.9 million. Peoples accounted for this transaction as a business combination under the acquisition method.

Peoples recorded no acquisition-related expenses related to the Limestone Merger for the three months ended June 30, 2024 and \$( 0.1 ) million for the six months ended June 30, 2024. Peoples recorded acquisition-related expenses related to the Limestone Merger, which included \$ 10.8 million and \$ 11.2 million in non-interest expense for the three months and the six months ended June 30, 2023, respectively. For the second quarter of 2023, the \$ 10.8 million of non-interest expense consisted of \$ 5.2 million in salaries and employee benefit costs, \$ 4.8 million in professional fees, \$ 0.5 million in insurance expense, and \$ 0.3 million in various other non-interest expense line items. For the six months ended June 30, 2023, the \$ 11.2 million of non-interest expense consisted of \$ 5.2 million in salaries and employee benefit costs, \$ 5.1 million in professional fees, \$ 0.5 million in insurance expense, \$ 0.4 million in various other non-interest expense line items.

The following table provides the purchase price calculation as of the date of the Limestone Merger, and the assets acquired and liabilities assumed at their estimated fair values.

| <i>(Dollars in thousands)</i>                           | <b>Fair Value</b> |
|---------------------------------------------------------|-------------------|
| <b>Total purchase price</b>                             | <b>\$ 177,931</b> |
| <b>Assets</b>                                           |                   |
| Cash and balances due from banks                        | 6,422             |
| Interest-bearing deposits in other banks                | 87,115            |
| Total cash and cash equivalents                         | 93,537            |
| Available-for-sale investment securities, at fair value | 166,944           |
| Other investment securities                             | 5,716             |
| Total investment securities                             | 172,660           |
| Loans                                                   | 1,077,929         |
| Allowance for credit losses (on PCD loans)              | ( 2,051 )         |
| Net loans                                               | 1,075,878         |

| <i>(Dollars in thousands)</i>                                | <b>Fair Value</b> |
|--------------------------------------------------------------|-------------------|
| Bank premises and equipment, net of accumulated depreciation | 17,690            |
| Bank owned life insurance                                    | 31,343            |
| Other intangible assets                                      | 27,722            |
| Other assets                                                 | 36,874            |
| <b>Total assets</b>                                          | <b>1,455,704</b>  |
| <b>Liabilities</b>                                           |                   |
| Deposits:                                                    |                   |
| Non-interest-bearing                                         | 262,727           |
| Interest-bearing                                             | 971,457           |
| Total deposits                                               | 1,234,184         |
| Short-term borrowings                                        | 60,000            |
| Long-term borrowings                                         | 39,453            |
| Accrued expenses and other liabilities                       | 12,967            |
| <b>Total liabilities</b>                                     | <b>1,346,604</b>  |
| Net assets                                                   | 109,100           |
| <b>Goodwill</b>                                              | <b>\$ 68,831</b>  |

The goodwill recorded in connection with the Limestone Merger is related to expected synergies to be gained from the combination of Limestone with Peoples' operations. The employees retained from the Limestone Merger and the geographic locations of Limestone should allow Peoples to continue to grow the loan and deposit portfolios while also increasing Peoples' ability to penetrate the new markets, which should benefit Peoples in future periods. During Peoples' evaluation of intangible assets, it was determined that an assembled workforce intangible asset was not separately recognizable and was included in goodwill. Peoples recorded a core deposit asset in other intangible assets related to the Limestone Merger.

Loans acquired by Peoples in a business combination that have evidence of more than insignificant credit deterioration, which includes loans as to which Peoples believes it is probable that Peoples will be unable to collect all contractually required payments, are considered "purchased credit deteriorated" (or "PCD") loans. Acquired PCD loans are reported net of the unamortized fair value adjustment. These loans are recorded at the purchase price, and an allowance for credit losses is determined based upon discrete credit marks, along with discounted cash flow models based upon similar pools of loans, using a similar methodology as for other loans. The following table details the fair value adjustment for acquired PCD loans as of the acquisition date:

| <i>(Dollars in thousands)</i> | <b>Par Value</b> | <b>Allowance for<br/>Credit Losses</b> | <b>Non-Credit<br/>(Discount) Premium</b> | <b>Fair Value</b> |
|-------------------------------|------------------|----------------------------------------|------------------------------------------|-------------------|
| <b>PCD loans</b>              |                  |                                        |                                          |                   |
| Commercial real estate, other | 30,907           | ( 1,340 )                              | ( 2,160 )                                | 27,407            |
| Commercial and industrial     | 16,466           | ( 379 )                                | ( 610 )                                  | 15,477            |
| Residential real estate       | 6,328            | ( 228 )                                | ( 770 )                                  | 5,330             |
| Home equity lines of credit   | 774              | ( 18 )                                 | 11                                       | 767               |
| Consumer                      | 1,029            | ( 86 )                                 | 78                                       | 1,021             |
| <b>Fair value</b>             | <b>\$ 55,504</b> | <b>\$ ( 2,051 )</b>                    | <b>\$ ( 3,451 )</b>                      | <b>\$ 50,002</b>  |

#### Note 14 Leases

Peoples has elected certain practical expedients, in accordance with ASC 842 - Leases ("ASC 842"). As a lessor, Peoples has made an accounting policy election to exclude from the consideration in the contract, and from variable payments not included in the consideration in the contract, all sales and other similar taxes assessed. Peoples has also made an accounting policy election to account for each separate lease component of a contract and its associated non-lease components as a single lease component for all leases subject to ASC 842.



## Lessor Arrangements

Leases originated by Peoples, that Peoples has the positive intent and ability to hold for the foreseeable future or to maturity or payoff, are reported at the net investment in the lease, net of initial direct costs, charge-offs and an allowance for credit losses. Peoples considers leases past due if any required principal or interest payments have not been received as of the date such payments were required to be made under the terms of the lease agreement. Upon detection of the reduced ability of a lessee to meet cash flow obligations, a lease is typically charged down to the net realizable value, with the residual balance placed on nonaccrual status. Leases deemed to be uncollectable are charged against the allowance for credit losses, while recoveries of previously charged-off amounts are credited to the allowance for credit losses.

Peoples originates sales-type leases through its NSL division, as these leases are structured as dollar buy-out, whereby the lessee pays one dollar at maturity of the lease to purchase the equipment. These leases do not typically contain residual value guarantees; however, if a lease contains a residual value guarantee, Peoples reduces its residual asset risk by obtaining a security deposit from the lessee. Peoples also originates leases through its Vantage subsidiary, which are classified as either sales-type, direct financing leases, or operating leases based primarily on whether they included a dollar buy-out or a fair market value buy-out, respectively. As a lessor, Peoples originates commercial equipment leases either directly to the customer or indirectly through vendor programs. Equipment leases relate to automotive, construction, health care, manufacturing, office, restaurant, information technology and other equipment. Finance leases include an estimated residual value, which is assessed for impairment as part of the allowance for credit losses. Lease income noted in the table below includes (i) gains on the early termination of leases, (ii) fees received for referrals, (iii) gains and losses recognized on the sales of residual assets and (iv) syndication income. Additional information regarding Peoples' leases can be found in "Note 4 Loans and Leases."

The table below details Peoples' lease income:

| (Dollars in thousands)          | Three Months Ended |                  | Six Months Ended |                  |
|---------------------------------|--------------------|------------------|------------------|------------------|
|                                 | June 30, 2024      | June 30, 2023    | June 30, 2024    | June 30, 2023    |
| Interest and fees on leases (a) | \$ 11,982          | \$ 10,275        | \$ 24,049        | \$ 19,918        |
| Lease income                    | 1,116              | 1,719            | 2,352            | 2,796            |
| Other non-interest income (b)   | 1,052              | —                | 1,837            | —                |
| <b>Total lease income</b>       | <b>\$ 14,150</b>   | <b>\$ 11,994</b> | <b>\$ 28,238</b> | <b>\$ 22,714</b> |

(a) Included in "Interest and fees on loans and leases" in the Unaudited Consolidated Statements of Operations. For additional information, see "Note 4 Loans and Leases" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

(b) Included in "Other non-interest income" is operating lease income.

The following table summarizes the net investment in leases, which is included in "Loans and leases, net of deferred fees and costs" on the Unaudited Consolidated Balance Sheets:

| (Dollars in thousands)                                             | June 30, 2024     | December 31, 2023 |
|--------------------------------------------------------------------|-------------------|-------------------|
| Lease payments receivable, at amortized cost                       | \$ 483,473        | \$ 463,742        |
| Estimated residual values                                          | 34,829            | 33,448            |
| Initial direct costs                                               | 7,723             | 7,114             |
| Deferred revenue                                                   | ( 95,374 )        | ( 90,244 )        |
| <b>Net investment in leases</b>                                    | <b>430,651</b>    | <b>414,060</b>    |
| Allowance for credit losses - leases                               | ( 15,218 )        | ( 10,850 )        |
| <b>Net investment in leases, after allowance for credit losses</b> | <b>\$ 415,433</b> | <b>\$ 403,210</b> |

The following table summarizes the contractual maturities of leases:

| <i>(Dollars in thousands)</i>                       | <b>Balance</b>    |
|-----------------------------------------------------|-------------------|
| Remaining six months ending December 31, 2024       | \$ 75,253         |
| Year ending December 31, 2025                       | 111,531           |
| Year ending December 31, 2026                       | 101,126           |
| Year ending December 31, 2027                       | 90,747            |
| Year ending December 31, 2028                       | 60,600            |
| Thereafter                                          | 44,216            |
| <b>Lease payments receivable, at amortized cost</b> | <b>\$ 483,473</b> |

#### Lessee Arrangements

Peoples leases certain banking facilities and equipment under various agreements with original terms providing for fixed monthly payments over periods generally ranging from two to thirty years. Certain leases may include options to extend or terminate the lease. Only those renewal and termination options which Peoples is reasonably certain of exercising are included in the calculation of the lease liability. Certain leases contain rent escalation clauses calling for rent increases over the term of the lease, which are included in the calculation of the lease liability. At June 30, 2024, Peoples did not have any leases that met the criteria for finance leases. Right of Use ("ROU") assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement or the remeasurement date of a lease based on the present value of lease payments over the remaining lease term. Operating lease ROU assets include lease payments made at or before the commencement date and initial indirect costs. Operating lease ROU assets are presented net of any lease incentives. Short-term leases of certain facilities and equipment, with lease terms of 12 months or less, are recognized on a straight-line basis over the lease term and do not have an ROU asset or lease liability.

The table below details Peoples' lease expense, which is included in "Net occupancy and equipment expense" in the Unaudited Consolidated Statements of Operations:

| <i>(Dollars in thousands)</i> | <b>Three Months Ended</b> |                      | <b>Six Months Ended</b> |                      |
|-------------------------------|---------------------------|----------------------|-------------------------|----------------------|
|                               | <b>June 30, 2024</b>      | <b>June 30, 2023</b> | <b>June 30, 2024</b>    | <b>June 30, 2023</b> |
| Operating lease expense       | \$ 733                    | \$ 766               | \$ 1,468                | \$ 1,461             |
| Short-term lease expense      | 327                       | 322                  | 633                     | 417                  |
| Variable lease expense        | 5                         | —                    | 5                       | —                    |
| <b>Total lease expense</b>    | <b>\$ 1,065</b>           | <b>\$ 1,088</b>      | <b>\$ 2,106</b>         | <b>\$ 1,878</b>      |

Peoples utilizes an incremental borrowing rate to determine the present value of lease payments for each lease, as the lease agreements do not provide an implicit rate. The estimated incremental borrowing rate reflects a secured rate and is based on the term of the lease.

The following table details the ROU assets, the lease liabilities and other information related to Peoples' operating leases at the dates shown:

| <i>(Dollars in thousands)</i>                     | <b>June 30, 2024</b> | <b>December 31, 2023</b> |
|---------------------------------------------------|----------------------|--------------------------|
| <b>ROU assets:</b>                                |                      |                          |
| Other assets                                      | \$ 11,237            | \$ 11,689                |
| <b>Lease liabilities:</b>                         |                      |                          |
| Accrued expenses and other liabilities            | \$ 11,792            | \$ 12,080                |
| <b>Other information:</b>                         |                      |                          |
| Weighted-average remaining lease term             | 9.1 years            | 9.5 years                |
| Weighted-average discount rate                    | 4.08 %               | 3.34 %                   |
| Additions for ROU assets obtained during the year | \$ 621               | \$ 4,428                 |

During both the three months ended June 30, 2024 and 2023, Peoples paid cash of \$ 0.7 million for operating leases. During the six months ended June 30, 2024 and 2023, Peoples paid cash of \$ 1.4 million and \$ 1.4 million, respectively, for operating leases.

The following table summarizes the maturity of remaining lease liabilities:

| <i>(Dollars in thousands)</i>                 | <b>Balance</b> |               |
|-----------------------------------------------|----------------|---------------|
| Remaining six months ending December 31, 2024 | \$             | 1,449         |
| Year ending December 31, 2025                 |                | 2,315         |
| Year ending December 31, 2026                 |                | 2,027         |
| Year ending December 31, 2027                 |                | 1,816         |
| Year ending December 31, 2028                 |                | 1,338         |
| Thereafter                                    |                | 5,401         |
| <b>Total undiscounted lease payments</b>      | <b>\$</b>      | <b>14,346</b> |
| Imputed interest                              | \$             | ( 2,554 )     |
| <b>Total lease liabilities</b>                | <b>\$</b>      | <b>11,792</b> |

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Management's Discussion and Analysis ("MD&A") represents an overview of the results of operations and financial condition of Peoples at and for the three months and six months ended June 30, 2024 and June 30, 2023. This MD&A should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and the Notes thereto.

Certain statements in this Form 10-Q, which are not historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by the fact they are not historical facts and include words such as "anticipate," "estimate," "may," "feel," "expect," "believe," "plan," "will," "will likely," "would," "should," "could," "project," "goal," "target," "potential," "seek," "intend," "continue," "remain," and similar expressions.

These forward-looking statements reflect management's current expectations based on all information available to management and its knowledge of Peoples' business and operations. Additionally, Peoples' financial condition, results of operations, plans, objectives, future performance and business are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, but are not limited to:

- (1) the effects of interest rate policies, changes in the interest rate environment due to economic conditions and/or the fiscal and monetary policy measures undertaken by the U.S. government and the Federal Reserve Board, including changes in the Federal Funds Target Rate, in response to such economic conditions, which may adversely impact interest rates, the interest rate yield curve, interest margins, loan demand and interest rate sensitivity;
- (2) the effects of inflationary pressures and the impact of rising interest rates on borrowers' liquidity and ability to repay;
- (3) the success, impact, and timing of the implementation of Peoples' business strategies and Peoples' ability to manage strategic initiatives, including the interest rate policies of the Federal Reserve Board, the completion and successful integration of acquisitions, and the expansion of commercial and consumer lending activities;
- (4) competitive pressures among financial institutions, or from non-financial institutions, which may increase significantly, including product and pricing pressures, which can in turn impact Peoples' credit spreads, changes to third-party relationships and revenues, changes in the manner of providing services, customer acquisition and retention pressures, and Peoples' ability to attract, develop and retain qualified professionals;
- (5) uncertainty regarding the nature, timing, cost, and effect of legislative or regulatory changes or actions, or deposit insurance premium levels, promulgated and to be promulgated by governmental and regulatory agencies in the State of Ohio, the FDIC, the Federal Reserve Board and the Consumer Financial Protection Bureau, which may subject Peoples, its subsidiaries, or one or more acquired companies to a variety of new and more stringent legal and regulatory requirements;
- (6) the effects of easing restrictions on participants in the financial services industry;
- (7) current and future local, regional, national and international economic conditions (including the impact of persistent inflation, supply chain issues or labor shortages, supply-demand imbalances affecting local real estate prices, high unemployment rates in the local or regional economies in which Peoples operates and/or the U.S. economy generally, an increasing federal government budget deficit, the failure of the federal government to raise the federal debt ceiling, potential or imposed tariffs, a U.S. withdrawal from or significant renegotiation of trade agreements, trade wars and other changes in trade regulations, and changes in the relationship of the U.S. and U.S. global trading partners) and the impact these conditions may have on Peoples, Peoples' customers and Peoples' counterparties, and Peoples' assessment of the impact, which may be different than anticipated;
- (8) Peoples may issue equity securities in connection with future acquisitions, which could cause ownership and economic dilution to Peoples' current shareholders;
- (9) changes in prepayment speeds, loan originations, levels of nonperforming assets, delinquent loans, charge-offs, and customer and other counterparties' performance and creditworthiness generally, which may be less favorable than expected in light of recent inflationary pressures and continued elevated interest rates, and may adversely impact the amount of interest income generated;
- (10) Peoples may have more credit risk and higher credit losses to the extent there are loan concentrations by location or industry of borrowers or collateral;
- (11) future credit quality and performance, including expectations regarding future credit losses and the allowance for credit losses;
- (12) changes in accounting standards, policies, estimates or procedures may adversely affect Peoples' reported financial condition or results of operations;

- (13) the impact of assumptions, estimates and inputs used within models, which may vary materially from actual outcomes, including under the CECL model;
- (14) adverse changes in the conditions and trends in the financial markets, including recent inflationary pressures, which may adversely affect the fair value of securities within Peoples' investment portfolio, the interest rate sensitivity of Peoples' consolidated balance sheet, and the income generated by Peoples' trust and investment activities;
- (15) the volatility from quarter to quarter of mortgage banking income, whether due to interest rates, demand, the fair value of mortgage loans, or other factors;
- (16) Peoples' ability to receive dividends from Peoples' subsidiaries;
- (17) Peoples' ability to maintain required capital levels and adequate sources of funding and liquidity;
- (18) the impact of larger or similar-sized financial institutions encountering problems, such as the failure in 2024 of Republic First Bank, and closures in 2023 of Silicon Valley Bank in California, Signature Bank in New York, and First Republic Bank in California, which may adversely affect the banking industry and/or Peoples' business generation and retention, funding and liquidity, including potential increased regulatory requirements, increased reputational risk and potential impacts to macroeconomic conditions;
- (19) Peoples' ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks, including those of Peoples' third-party vendors and other service providers, which may prove inadequate, and could adversely affect customer confidence in Peoples and/or result in Peoples incurring a financial loss;
- (20) any misappropriation of the confidential information which Peoples possesses could have an adverse impact on Peoples' business and could result in regulatory actions, litigation and other adverse effects;
- (21) Peoples' ability to anticipate and respond to technological changes, and Peoples' reliance on, and the potential failure of, a number of third-party vendors to perform as expected, including Peoples' primary core banking system provider, which can impact Peoples' ability to respond to customer needs and meet competitive demands;
- (22) operational issues stemming from and/or capital spending necessitated by the potential need to adapt to industry changes in information technology systems on which Peoples and Peoples' subsidiaries are highly dependent;
- (23) changes in consumer spending, borrowing and saving habits, whether due to changes in retail distribution strategies, consumer preferences and behavior, changes in business and economic conditions, legislative or regulatory initiatives, or other factors, which may be different than anticipated;
- (24) the adequacy of Peoples' internal controls and risk management program in the event of changes in strategic, reputational, market, economic, operational, cybersecurity, compliance, legal, asset/liability repricing, liquidity, credit and interest rate risks associated with Peoples' business;
- (25) the impact on Peoples' businesses, personnel, facilities, or systems, of losses related to acts of fraud, theft, misappropriation or violence;
- (26) the impact on Peoples' businesses, as well as on the risks described above, of various domestic or international widespread natural or other disasters, pandemics, cybersecurity attacks, system failures, civil unrest, military or terrorist activities or international conflicts (including Russia's war in Ukraine and the ongoing conflicts in the Middle East);
- (27) the potential deterioration of the U.S. economy due to financial, political or other shocks;
- (28) the potential influence on the U.S. financial markets and economy from the effects of climate change, including any enhanced regulatory, compliance, credit and reputational risks and costs;
- (29) the impact on Peoples' businesses and operating results of any costs associated with obtaining rights in intellectual property claimed by others and adequately protecting Peoples' intellectual property;
- (30) risks and uncertainties associated with Peoples' entry into new geographic markets and risks resulting from Peoples' inexperience in these new geographic markets;
- (31) Peoples' ability to integrate the Limestone Merger, which may be unsuccessful, or may be more difficult, time-consuming or costly than expected;
- (32) the risk that expected revenue synergies and cost savings from the Limestone Merger, may not be fully realized or realized within the expected time frame;
- (33) changes in laws or regulations imposed by Peoples' regulators impacting Peoples' capital actions, including dividend payments and share repurchases;

- (34) the vulnerability of Peoples' network and online banking portals, and the systems of parties with whom Peoples contracts, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches;
- (35) Peoples' business may be adversely affected by increased political and regulatory scrutiny of corporate environmental, social and governance ("ESG") practices;
- (36) the effect of a fall in stock market prices on Peoples' asset and wealth management business; and
- (37) other risk factors relating to the banking industry or Peoples as detailed from time to time in Peoples' reports filed with the Securities and Exchange Commission (the "SEC"), including those risk factors included in the disclosures under the heading "ITEM 1A. RISK FACTORS" of Peoples' 2023 Form 10-K. Peoples encourages readers of this Form 10-Q to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance. Peoples undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the filing of this Form 10-Q or to reflect the occurrence of unanticipated events, except as required by applicable legal requirements. Copies of documents filed with the SEC are available free of charge at the SEC's website at <http://www.sec.gov> and/or from Peoples' website – [www.peoplesbancorp.com](http://www.peoplesbancorp.com) under the "Investor Relations" section.

All forward-looking statements speak only as of the filing date of this Form 10-Q and are expressly qualified in their entirety by the cautionary statements. Although management believes the expectations in these forward-looking statements are based on reasonable assumptions within the bounds of management's knowledge of Peoples' business and operations, it is possible that actual results may differ materially from these projections.

This discussion and analysis should be read in conjunction with the Audited Consolidated Financial Statements, and Notes to the Audited Consolidated Financial Statements, contained in Peoples' 2023 Form 10-K, as well as the Unaudited Condensed Consolidated Financial Statements, Notes to the Unaudited Condensed Consolidated Financial Statements, ratios, statistics and discussions contained elsewhere in this Form 10-Q.

#### **Business Overview**

The following discussion and analysis of Peoples' Unaudited Condensed Consolidated Financial Statements is presented to provide insight into management's assessment of the financial condition and results of operations.

Peoples is a diversified financial services holding company that makes available a complete line of banking, trust and investment, insurance, premium financing and equipment leasing solutions through its subsidiaries. Peoples provides services through traditional offices, automated teller machines ("ATMs"), interactive teller machines ("ITMs"), mobile banking, telephone and internet-based banking. Peoples offers a complete array of insurance products through Peoples Insurance, a subsidiary of Peoples Bank. Brokerage services are offered by Peoples exclusively through an unaffiliated registered broker-dealer located at Peoples Bank's offices. Peoples Bank offers insurance premium finance lending nationwide through its Peoples Premium Finance division. Peoples also offers lease financing through its North Star Leasing division and through Vantage, a subsidiary of Peoples Bank. As of June 30, 2024, Peoples had 150 locations, including 130 full-service bank branches in Ohio, Kentucky, West Virginia, Virginia, Washington D.C. and Maryland. Peoples Bank is subject to regulation and examination primarily by the Ohio Division of Financial Institutions (the "ODFI"), the FRB of Cleveland and the FDIC. Peoples Bank must also follow the regulations promulgated by the Consumer Financial Protection Bureau (the "CFPB"), which regulates consumer financial products and services and certain financial services providers. Peoples Insurance is subject to regulation by the Ohio Department of Insurance and the state insurance regulatory agencies of those states in which Peoples Insurance may do business.

#### **Critical Accounting Policies**

The accounting and reporting policies of Peoples conform to US GAAP. The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could materially differ from those estimates. Note 1 of the Notes to the Unaudited Condensed Consolidated Financial Statements describes Peoples' significant accounting policies. Management has identified the accounting policies that, due to the judgments, estimates and assumptions inherent in those policies, are critical to understanding Peoples' Unaudited Condensed Consolidated Financial Statements, and this MD&A at June 30, 2024, which have been disclosed in Peoples' 2023 Form 10-K and updated in "Note 1 Summary of Significant Accounting Policies" in this Form 10-Q. This MD&A should be read in conjunction with the policies disclosed in Peoples' 2023 Form 10-K.

#### **Summary of Recent Transactions and Events**

The following is a summary of recent transactions and events that have impacted or are expected to impact Peoples' results of operations or financial condition:

- For the first six months of 2024, Peoples incurred \$(0.1) million of acquisition-related expenses compared to \$11.3 million for the first six months of 2023. Peoples recorded acquisition-related expenses, primarily related to the Limestone Merger,

which included \$(0.1) million for the first quarter of 2024 and \$10.7 million for the second quarter of 2023. There was no such expense for the three months ended June 30, 2024.

- For the second quarter of 2024, Peoples recorded a provision for credit losses of \$5.7 million, compared to a provision for credit losses of \$6.1 million for the linked quarter and a provision for credit losses of \$8.0 million for the second quarter of 2023. For the first half of 2024, Peoples recorded a provision for credit losses of \$11.8 million, compared to a provision for credit losses of \$9.8 million for 2023. The provision for credit losses for the second quarter and the first six months of 2024 was mainly the result of (i) higher net charge-offs, (ii) an increase of reserves on individually analyzed loans and leases and (iii) loan growth. For more information, please refer to the section titled "RESULTS OF OPERATIONS - Provision for Credit Losses" found later in this discussion.
- On October 25, 2022, Peoples announced the Limestone Merger, a transaction valued at \$177.9 million. The Limestone Merger closed as of the close of business on April 30, 2023. Peoples acquired Limestone's loan portfolio totaling \$1.1 billion, \$1.2 billion of deposits, \$172.7 million of total investment securities, an aggregate of \$99.5 million of short-term and long-term borrowings, and \$93.5 million of total cash and cash equivalents. Peoples also recorded goodwill in the amount of \$68.8 million and other intangible assets of \$27.7 million, which consisted of core deposit intangibles.
- To combat the effects of ongoing inflationary pressures, the Federal Reserve Board increased the Federal Funds Target Rate range to 0.25% to 0.50% beginning on March 16, 2022, and continued to raise rates up to 5.50% on July 27, 2023. The Federal Reserve Board has kept rates unchanged since July 2023 but has signaled that it may begin reducing rates sometime in 2024.

The impact of these transactions and events, where material, is discussed in the applicable sections of this MD&A.

## EXECUTIVE SUMMARY

Peoples reported net income of \$29.0 million for the second quarter of 2024, representing earnings per diluted common share of \$0.82. In comparison, Peoples reported net income of \$29.6 million, representing earnings per diluted common share of \$0.84, for the first quarter of 2024, and net income of \$21.1 million, representing earnings per diluted common share of \$0.64, for the second quarter of 2023. For the six months ended June 30, 2024, Peoples recorded net income of \$58.6 million, or \$1.66 per diluted common share, compared to \$47.7 million, or \$1.56 per diluted common share, for the six months ended June 30, 2023. Non-core items negatively impacted earnings per diluted common share by \$0.02 for the second quarter of 2024, \$0.01 for the first quarter of 2024, and \$0.28 for the second quarter of 2023. Non-core items negatively impacted earnings per diluted share by \$0.02 and \$0.37 for the six months ended June 30, 2024 and 2023, respectively.

Net interest income was \$86.6 million for the second quarter of 2024, which was flat when compared to the linked quarter. Net interest margin was 4.18% for the second quarter of 2024, compared to 4.26% for the linked quarter. The decrease in net interest margin was primarily driven by a decrease in accretion income, net of amortization, from our acquisitions and higher borrowing costs. Net interest income for the second quarter of 2024 increased \$1.8 million, or 2%, compared to the second quarter of 2023. Net interest margin for the second quarter of 2024 was 4.18% and decreased 36 basis points compared to 4.54% for the second quarter of 2023, driven primarily by an increase in interest expense on deposits. For the first six months of 2024, net interest income increased \$15.5 million, or 10%, compared to the first six months of 2023, while net interest margin decreased 32 basis points to 4.22%. The increase in net interest income was driven by increases in market interest rates and an additional four months of income from the Limestone Merger. The decrease in net interest margin for the first six months of 2024 compared to the first six months of 2023 was primarily driven by higher borrowing costs, which offset higher earning asset yields.

Accretion income, net of amortization expense, from acquisitions was \$5.8 million for the second quarter of 2024, \$6.5 million for the first quarter of 2024 and \$4.5 million for the second quarter of 2023, which added 28 basis points, 32 basis points and 23 basis points, respectively, to net interest margin. The decrease in accretion income for the second quarter of 2024 when compared to the linked quarter was driven by lower pay-offs. The increase in accretion income for the current quarter compared to the second quarter of 2023 was a result of the accretion from the Limestone Merger. Accretion income, net of amortization expense, from acquisitions was \$12.3 million for the six months ended June 30, 2024, compared to \$6.5 million for the six months ended June 30, 2023, which added 30 and 18 basis points, respectively, to net interest margin. The increase in accretion income for the first six months of 2024 compared to the same period in 2023 was due to an additional four months of accretion in 2024 from the Limestone Merger.

The provision for credit losses was \$5.7 million for the second quarter of 2024, compared to a provision for credit losses of \$6.1 million for the linked quarter and a provision for credit losses of \$8.0 million for the second quarter of 2023. The provision for credit losses for the second quarter of 2024 was a result of (i) higher net charge-offs, (ii) an increase of reserves for individually analyzed loans and leases, and (iii) loan growth. The provision for credit losses for the first quarter of 2024 was driven by (i) a deterioration in macro-economic conditions used within the CECL model, (ii) an increase of reserves on individually analyzed loans and leases and (iii) loan growth. Net charge-offs for the second quarter of 2024 were \$4.2 million, or 0.27% of average total loans annualized, compared to net charge-offs of \$3.3 million, or 0.22% of average total loans annualized, for the linked quarter and net charge-offs of

\$1.2 million, or 0.09% of average total loans annualized, for the second quarter of 2024. For additional information on credit trends and the allowance for credit losses, see the "FINANCIAL CONDITION - Allowance for Credit Losses" section below.

The provision for credit losses for the first six months of 2024 was \$11.8 million, compared to a provision for credit losses of \$9.8 million for the first six months of 2023. The provision for credit losses for the first six months of 2024 was mainly the result of (i) higher net charge-offs, (ii) an increase in reserves for individually analyzed loans and leases and (iii) loan growth. The provision for credit losses for the first six months of 2023 was driven by (i) the addition of the provision for the non-purchased credit deteriorated loans acquired in the Limestone Merger, (ii) loan growth and (iii) economic forecast deterioration, partially offset by a reduction in the reserves for individually analyzed loans and leases and the use of updated loss drivers. Net charge-offs for the first six months of 2024 were \$7.6 million, or 0.24% of average total loans annualized, compared to net charge-offs of \$2.7 million, or 0.11% annualized, for the first six months of 2023. For additional information on credit trends and the allowance for credit losses, see the "Asset Quality" section below.

Net gains and losses include gains and losses on investment securities, asset disposals and other transactions, which are included in total non-interest income on the Consolidated Statements of Operations. The net loss realized during the second quarter of 2024 was \$0.8 million, compared to a net loss of \$0.3 million for the linked quarter and a net loss of \$1.8 million for the second quarter of 2023. The net loss for the second quarter of 2024 was due to \$0.4 million of net losses on repossessed assets. The net loss for the linked quarter was due to \$0.3 million of net losses on repossessed assets. The net loss for the second quarter of 2023 was primarily driven by a \$1.6 million write-down of an OREO property due to a potential sale of the property. The net loss realized during the first six months of 2024 was \$1.1 million, compared to \$4.0 million for the first six months of 2023. The net loss for the first six months of 2024 was driven by the \$0.7 million of net losses on repossessed assets mentioned above. The net loss for the first six months of 2023 was primarily driven by a \$2.0 million pre-tax net loss on the sale of available-for-sale investment securities and the \$1.6 million writedown of the OREO property mentioned above. Peoples sold \$96.7 million of its lower yielding available-for-sale investment securities, with proceeds from the sale used to pay down overnight borrowings.

Total non-interest income, excluding net gains and losses, for the second quarter of 2024 decreased \$1.6 million compared to the linked quarter. The decrease in non-interest income, excluding net gains and losses, was primarily due to a decrease of \$2.4 million in insurance income due primarily to seasonal performance-based commissions being paid in the first quarter of each year. Partially offsetting the decrease was an increase of \$0.4 million in each of electronic banking income and trust and investment income. Compared to the second quarter of 2023, total non-interest income, excluding net gains and losses, increased \$1.6 million, primarily due to a \$1.1 million increase in other non-interest income, driven by operating lease income, and a \$0.6 million increase in trust and investment income, partially offset by a decrease of \$0.6 million in lease income. The other increases for the second quarter of 2024, when compared to the second quarter of 2023, were primarily due to the additional customers brought in from the Limestone Merger and increases of assets under administration and management.

For the first six months of 2024, total non-interest income, excluding gains and losses, increased \$6.5 million, or 15%, compared to the first six months of 2023. The increase was driven by (i) a \$2.1 million increase in other non-interest income, driven by operating lease income, (ii) a \$1.2 million increase in insurance income, (iii) a \$1.1 million increase in trust and investment income, (iv) a \$1.0 million increase in bank owned life insurance income, (v) a \$0.9 million increase in deposit account service charge income, and (vi) a \$0.6 million increase in electronic banking income, offset by a decrease of \$0.4 million in lease income. The other increases for the first six months of 2024, when compared to the first six months of 2023, were primarily due to the additional customers brought in from the Limestone Merger, increases of assets under management, higher insurance performance-based commission, and market increases for insurance premiums.

Total non-interest expense increased \$0.3 million for the three months ended June 30, 2024, compared to the linked quarter. The increase in total non-interest expense was primarily due to increases of \$2.2 million in other non-interest expense driven by a one-time true-up of \$1.3 million of corporate expenses and \$1.0 million in data processing and software expense driven by higher expenses attributable to recent technology projects, partially offset by a decrease of \$2.3 million in salaries and employee benefit costs. The decrease in salaries and employee benefit costs was due to anticipated annual expenses that occur in the first quarter of each year including stock-based compensation expenses attributable to retirement-eligible employees and health savings account ("HSA") contributions.

Compared to the second quarter of 2023, total non-interest expense decreased \$1.9 million, or 3%. Excluding acquisition-related expenses, non-interest expenses increased \$8.8 million, or 15%, primarily due to increases of \$3.6 million in salaries and employee benefit costs due to additional employees added in the Limestone Merger and \$2.0 million data processing and software expense due to recent technology projects.

For the six months ended June 30, 2024, total non-interest expense increased \$10.1 million, or 8%, compared to the first six months of 2023. Excluding acquisition-related expenses, non-interest expenses increased \$21.5 million, or 19%, primarily due to increases of \$10.5 million in salaries and employee benefit costs due to additional employees added in the Limestone Merger, \$3.2 million and \$2.1 million in data processing and software expense and in net occupancy and equipment expense, respectively, due to recent technology projects and growth, included through acquisitions.



The table below summarizes the amount of acquisition-related expenses for each line item that is a component of non-interest expense. This information is used by Peoples to provide information useful to investors in understanding Peoples' operating performance and trends.

| (Dollars in thousands)                                             | Three Months Ended |           |           | Six Months Ended |            |
|--------------------------------------------------------------------|--------------------|-----------|-----------|------------------|------------|
|                                                                    | June 30,           | March 31, | June 30,  | June 30,         |            |
|                                                                    | 2024               | 2024      | 2023      | 2024             | 2023       |
| <b>Non-interest expense:</b>                                       |                    |           |           |                  |            |
| Salaries and employee benefit costs                                | \$ 36,564          | \$ 38,893 | \$ 38,025 | \$ 75,457        | \$ 70,053  |
| Net occupancy and equipment expense                                | 6,142              | 6,283     | 5,380     | 12,425           | 10,335     |
| Professional fees                                                  | 2,935              | 2,967     | 7,438     | 5,902            | 10,319     |
| Data processing and software expense                               | 6,743              | 5,769     | 4,728     | 12,512           | 9,290      |
| Amortization of other intangible assets                            | 2,787              | 2,788     | 2,800     | 5,575            | 4,671      |
| Electronic banking expense                                         | 1,941              | 1,781     | 1,832     | 3,722            | 3,323      |
| Marketing expense                                                  | 681                | 1,056     | 1,357     | 1,737            | 2,287      |
| FDIC insurance premiums                                            | 1,251              | 1,186     | 1,464     | 2,437            | 2,265      |
| Franchise tax expense                                              | 760                | 881       | 872       | 1,641            | 1,906      |
| Communication expense                                              | 736                | 799       | 724       | 1,535            | 1,337      |
| Other loan expenses                                                | 1,036              | 1,076     | 538       | 2,112            | 1,277      |
| Other non-interest expense                                         | 7,182              | 4,986     | 5,465     | 12,168           | 10,039     |
| Total non-interest expense                                         | 68,758             | 68,465    | 70,623    | 137,223          | 127,102    |
| <b>Acquisition-related non-interest expense:</b>                   |                    |           |           |                  |            |
| Salaries and employee benefit costs                                | —                  | 16        | 5,125     | 16               | 5,146      |
| Net occupancy and equipment expense                                | —                  | —         | 20        | —                | 29         |
| Professional fees                                                  | —                  | (38)      | 4,812     | (38)             | 5,103      |
| Data processing and software expense                               | —                  | (18)      | 1         | (18)             | 1          |
| Electronic banking expense                                         | —                  | (100)     | 115       | (100)            | 115        |
| Marketing expense                                                  | —                  | 10        | 13        | 10               | 23         |
| Other loan expenses                                                | —                  | —         | 1         | —                | 1          |
| Other non-interest expense                                         | —                  | 46        | 622       | 46               | 842        |
| Total acquisition-related non-interest expense                     | —                  | (84)      | 10,709    | (84)             | 11,260     |
| <b>Non-interest expense excluding acquisition-related expense:</b> |                    |           |           |                  |            |
| Salaries and employee benefit costs                                | 36,564             | 38,877    | 32,900    | 75,441           | 64,907     |
| Net occupancy and equipment expense                                | 6,142              | 6,283     | 5,360     | 12,425           | 10,306     |
| Professional fees                                                  | 2,935              | 3,005     | 2,626     | 5,940            | 5,216      |
| Data processing and software expense                               | 6,743              | 5,787     | 4,727     | 12,530           | 9,289      |
| Amortization of other intangible assets                            | 2,787              | 2,788     | 2,800     | 5,575            | 4,671      |
| Electronic banking expense                                         | 1,941              | 1,881     | 1,717     | 3,822            | 3,208      |
| Marketing expense                                                  | 681                | 1,046     | 1,344     | 1,727            | 2,264      |
| FDIC insurance premiums                                            | 1,251              | 1,186     | 1,464     | 2,437            | 2,265      |
| Franchise tax expense                                              | 760                | 881       | 872       | 1,641            | 1,906      |
| Communication expense                                              | 736                | 799       | 724       | 1,535            | 1,337      |
| Other loan expenses                                                | 1,036              | 1,076     | 537       | 2,112            | 1,276      |
| Other non-interest expense                                         | 7,182              | 4,940     | 4,843     | 12,122           | 9,197      |
| Total non-interest expense excluding acquisition-related expense   | \$ 68,758          | \$ 68,549 | \$ 59,914 | \$ 137,307       | \$ 115,842 |

The efficiency ratio for the second quarter of 2024 was 59.2%, compared to 58.1% for the linked quarter, and 62.8% for the second quarter of 2023. The improvement in the efficiency ratio compared to the prior year quarter was largely a result of a decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, was 59.2% for the second quarter of 2024, compared to 58.1% for the linked quarter and 53.3% for the second quarter of 2023. The efficiency ratio and the adjusted efficiency ratio for non-core items increased compared to the linked quarterly mainly as a result of a reduction in non-interest income. The efficiency ratio for the first six months of 2024 was 58.6%, compared to 60.4% for the first six months of 2023. The efficiency ratio improved compared to the prior year first six months due to the decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, was 58.7% for the first six months of 2024, compared to 55.2% for the first six months of 2023. Peoples continues to focus on controlling expenses, while recognizing necessary costs in order to continue growing the business.

Peoples recorded income tax expense of \$6.9 million with an effective tax rate of 19.1% for the second quarter of 2024, compared to income tax expense of \$8.3 million with an effective tax rate of 21.8% for the linked quarter, and income tax expense of \$6.2 million with an effective tax rate of 22.6% for the second quarter of 2023. The decrease in income tax expense for the second quarter of 2024 compared to the linked quarter was driven by a \$1.1 million one-time benefit related to a prior year amended return. Peoples recorded income tax expense of \$15.1 million with an effective tax rate of 20.5% for the first six months of 2024 and \$13.2 million with an effective tax rate of 21.7% for the first six months of 2023. The increase was driven by higher pre-tax income.

At June 30, 2024, total assets were \$9.23 billion, compared to \$9.27 billion at March 31, 2024, \$9.16 billion at December 31, 2023 and \$8.79 billion at June 30, 2023. Total assets at June 30, 2024 decreased when compared to at March 31, 2024 primarily due to a decrease in interest-bearing deposits in other banks, partially offset by increases in loans and investment securities. The period-end total loan and lease balances at June 30, 2024 increased \$122.5 million, or 8% annualized, compared to at March 31, 2024. The increase in the period-end total loan and lease balances was primarily driven by increases of (i) \$54.4 million in premium finance loans, (ii) \$43.4 million in commercial and industrial loans, (iii) \$25.9 million in construction loans, and (iv) \$24.8 million in indirect consumer loans, partially offset by a reduction of \$47.8 million in other commercial real estate loans. Total assets at June 30, 2024 increased compared to December 31, 2023 due to increases of \$166.2 million in total loans and leases and \$88.5 million in investment securities, partially offset by a decrease of \$190.9 million in total cash and cash equivalents. Total assets at June 30, 2024 increased compared to June 30, 2023 due to an increase of \$350.8 million in total loans and leases. The period-end loan and lease balance at June 30, 2024 increase compared to June 30, 2023 was primarily driven by organic growth in our premium finance, other commercial real estate, commercial and industrial, and lease portfolios of \$130.1 million, \$124.5 million, \$97.8 million, and \$52.9 million, respectively.

Total liabilities were \$8.15 billion at June 30, 2024, down from \$8.21 billion at March 31, 2024, \$8.10 billion at December 31, 2023 and \$7.79 billion at June 30, 2023. The decrease in total liabilities when compared to at March 31, 2024 was primarily due to a decrease of \$28.8 million in period-end total deposits. The decrease was primarily driven by decreases of (i) \$70.8 million in brokered CDs, (ii) \$58.8 million in governmental deposit accounts, and (iii) \$24.2 million in interest-bearing demand deposit accounts, partially offset by an increase of \$132.5 million in retail CDs. The increase in retail CDs was due to current specials being offered, while the decrease in governmental deposit accounts was due to the seasonality of those balances, which are typically higher in the first quarter. Excluding a decrease in brokered CDs of \$70.8 million, core deposits were up \$42.0 million compared to the linked quarter, driven by the aforementioned increase in retail CDs and higher money market deposit accounts. The increase in total liabilities when compared to at December 31, 2023 was primarily due to increases of \$369.5 million in retail CDs and \$93.7 million in money market deposit accounts, partially offset by decreases of (i) \$162.8 million in brokered deposits, (ii) \$95.0 million in non-interest bearing deposits, and (iii) \$60.8 million in interest-bearing demand deposit accounts. The increase in total liabilities when compared to at June 30, 2023 was primarily due to a \$337.9 million increase in period in deposits. The increase was primarily driven by increases of \$862.1 million in retail CDs, \$150.5 million in money market deposit accounts, and \$60.7 million in governmental deposit accounts, offset by decreases of \$236.1 million, \$209.9 million, \$147.3 million, and \$142.1 million in savings accounts, non-interest bearing deposits, brokered CDs, and interest-bearing demand deposit accounts, respectively. The increase in retail CDs was driven by current promotions being offered.

Total stockholders' equity at June 30, 2024 increased by \$15.8 million compared to at March 31, 2024, which was primarily due to net income for the second quarter of 2024 of \$29.0 million, partially offset by dividends paid of \$14.2 million. Accumulated unrealized losses related to the available-for-sale investment securities portfolio were \$110.2 million and \$111.8 million at June 30, 2024 and at March 31, 2024, respectively. Total stockholders' equity at June 30, 2024 increased by \$24.3 million compared to at December 31, 2023 was primarily due to net income of \$58.6 million for the first six months of 2024, partially offset by dividends paid of \$27.9 million. Total stockholders' equity at June 30, 2024 increased by \$78.9 million compared to at June 30, 2023. The increase in total stockholders' equity at June 30, 2024 when compared to at June 30, 2023 was impacted by net income of \$124.3 million in the last twelve months and a decrease in accumulated other comprehensive loss of \$8.7 million, partially offset by dividends paid of \$55.9 million.

## RESULTS OF OPERATIONS

### Net Interest Income

Net interest income, the amount by which interest income exceeds interest expense, remains Peoples' largest source of revenue. The amount of net interest income earned by Peoples each quarter is affected by various factors, including changes in market interest rates due to the Federal Reserve's monetary policy, the level and degree of pricing competition for loans and deposits in Peoples' markets, and the amount and composition of Peoples' earning assets and interest-bearing liabilities.

Net interest margin, which is calculated by dividing fully tax-equivalent ("FTE") net interest income by average interest-earning assets, serves as an important measurement of the net revenue stream generated by the volume, mix and pricing of interest-earning assets and interest-bearing liabilities. FTE net interest income is calculated by increasing interest income to convert tax-exempt income earned on obligations of states and political subdivisions and tax-exempt loans to the pre-tax equivalent of taxable income using a federal statutory corporate income tax rate of 21% for the three months ended June 30, 2024, for the three months ended March 31, 2024 and for the three and six months ended June 30, 2023.

The following table details the calculation of FTE net interest income:

|                                | Three Months Ended |                   |                  | Six Months Ended  |                   |
|--------------------------------|--------------------|-------------------|------------------|-------------------|-------------------|
|                                | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,          |                   |
| (Dollars in thousands)         |                    |                   |                  | 2024              | 2023              |
| Net interest income            | \$ 86,613          | \$ 86,640         | \$ 84,853        | \$ 173,253        | \$ 157,731        |
| Taxable equivalent adjustment  | 352                | 352               | 386              | 705               | 738               |
| <b>FTE net interest income</b> | <b>\$ 86,965</b>   | <b>\$ 86,992</b>  | <b>\$ 85,239</b> | <b>\$ 173,958</b> | <b>\$ 158,469</b> |

| (Dollars in thousands)               | For the Three Months Ended |           |                |         |                |   |                 |           |                |         |            |   |                 |           |                |         |            |   |
|--------------------------------------|----------------------------|-----------|----------------|---------|----------------|---|-----------------|-----------|----------------|---------|------------|---|-----------------|-----------|----------------|---------|------------|---|
|                                      | June 30, 2024              |           |                |         | March 31, 2024 |   |                 |           | June 30, 2023  |         |            |   |                 |           |                |         |            |   |
|                                      | Average Balance            |           | Income/Expense |         | Yield/Cost     |   | Average Balance |           | Income/Expense |         | Yield/Cost |   | Average Balance |           | Income/Expense |         | Yield/Cost |   |
| Short-term investments               | \$                         | 178,094   | \$             | 2,502   | 5.65           | % | \$              | 142,381   | \$             | 1,922   | 5.43       | % | \$              | 58,245    | \$             | 673     | 4.64       | % |
| Investment securities (a)(b):        |                            |           |                |         |                |   |                 |           |                |         |            |   |                 |           |                |         |            |   |
| Taxable                              |                            | 1,684,939 |                | 14,886  | 3.54           | % |                 | 1,657,967 |                | 13,964  | 3.37       | % |                 | 1,673,441 |                | 12,816  | 3.06       | % |
| Nontaxable                           |                            | 185,433   |                | 1,258   | 2.71           | % |                 | 174,632   |                | 1,270   | 2.91       | % |                 | 200,503   |                | 1,424   | 2.84       | % |
| Total investment securities          |                            | 1,870,372 |                | 16,144  | 3.45           | % |                 | 1,832,599 |                | 15,234  | 3.33       | % |                 | 1,873,944 |                | 14,240  | 3.04       | % |
| Loans (b)(c):                        |                            |           |                |         |                |   |                 |           |                |         |            |   |                 |           |                |         |            |   |
| Construction                         |                            | 328,943   |                | 6,595   | 7.93           | % |                 | 339,448   |                | 6,404   | 7.46       | % |                 | 358,732   |                | 6,491   | 7.16       | % |
| Commercial real estate, other        |                            | 2,074,718 |                | 36,420  | 6.94           | % |                 | 2,076,219 |                | 37,242  | 7.10       | % |                 | 1,735,466 |                | 28,240  | 6.44       | % |
| Commercial and industrial            |                            | 1,230,290 |                | 23,897  | 7.68           | % |                 | 1,203,196 |                | 23,515  | 7.73       | % |                 | 1,069,529 |                | 19,561  | 7.24       | % |
| Premium finance                      |                            | 260,513   |                | 5,746   | 8.73           | % |                 | 210,405   |                | 4,564   | 8.58       | % |                 | 154,557   |                | 2,659   | 6.81       | % |
| Leases                               |                            | 419,764   |                | 11,982  | 11.29          | % |                 | 409,870   |                | 12,067  | 11.65      | % |                 | 359,016   |                | 10,276  | 11.32      | % |
| Residential real estate (d)          |                            | 925,629   |                | 11,460  | 4.95           | % |                 | 930,989   |                | 11,322  | 4.86       | % |                 | 921,012   |                | 10,818  | 4.70       | % |
| Home equity lines of credit          |                            | 225,362   |                | 4,612   | 8.23           | % |                 | 216,743   |                | 4,297   | 7.97       | % |                 | 191,915   |                | 3,656   | 7.64       | % |
| Consumer, indirect                   |                            | 656,405   |                | 9,669   | 5.92           | % |                 | 656,244   |                | 9,281   | 5.69       | % |                 | 651,669   |                | 7,943   | 4.89       | % |
| Consumer, direct                     |                            | 119,048   |                | 2,095   | 7.08           | % |                 | 124,091   |                | 2,098   | 6.80       | % |                 | 123,899   |                | 2,247   | 7.27       | % |
| Total loans                          |                            | 6,240,672 |                | 112,476 | 7.16           | % |                 | 6,167,205 |                | 110,790 | 7.13       | % |                 | 5,565,795 |                | 91,891  | 6.55       | % |
| Allowance for credit losses          |                            | (64,745)  |                |         |                |   |                 | (61,236)  |                |         |            |   |                 | (53,427)  |                |         |            |   |
| Net loans                            |                            | 6,175,927 |                | 112,476 | 7.23           | % |                 | 6,105,969 |                | 110,790 | 7.20       | % |                 | 5,512,368 |                | 91,891  | 6.62       | % |
| Total earning assets                 |                            | 8,224,393 |                | 131,122 | 6.34           | % |                 | 8,080,949 |                | 127,946 | 6.29       | % |                 | 7,444,557 |                | 106,804 | 5.70       | % |
| Goodwill and other intangible assets |                            | 407,864   |                |         |                |   |                 | 410,719   |                |         |            |   |                 | 387,055   |                |         |            |   |
| Other assets                         |                            | 548,197   |                |         |                |   |                 | 529,983   |                |         |            |   |                 | 511,271   |                |         |            |   |
| Total assets                         | \$                         | 9,180,454 |                |         |                |   | \$              | 9,021,651 |                |         |            |   | \$              | 8,342,883 |                |         |            |   |
| Interest-bearing deposits:           |                            |           |                |         |                |   |                 |           |                |         |            |   |                 |           |                |         |            |   |
| Savings accounts                     | \$                         | 892,465   | \$             | 222     | 0.10           | % | \$              | 905,713   | \$             | 226     | 0.10       | % | \$              | 1,095,713 | \$             | 583     | 0.21       | % |
| Governmental deposit accounts        |                            | 795,913   |                | 5,594   | 2.83           | % |                 | 763,899   |                | 5,085   | 2.68       | % |                 | 693,725   |                | 2,330   | 1.35       | % |
| Interest-bearing demand accounts     |                            | 1,095,553 |                | 495     | 0.18           | % |                 | 1,109,033 |                | 452     | 0.16       | % |                 | 1,178,614 |                | 532     | 0.18       | % |
| Money market accounts                |                            | 850,375   |                | 5,419   | 2.56           | % |                 | 784,759   |                | 4,888   | 2.51       | % |                 | 679,123   |                | 2,006   | 1.18       | % |
| Retail CDs                           |                            | 1,743,238 |                | 18,423  | 4.25           | % |                 | 1,582,426 |                | 15,900  | 4.04       | % |                 | 825,155   |                | 4,209   | 2.05       | % |
| Brokered CDs (e)                     |                            | 482,310   |                | 5,506   | 4.59           | % |                 | 568,996   |                | 6,753   | 4.77       | % |                 | 480,640   |                | 4,744   | 3.96       | % |
| Total interest-bearing deposits      |                            | 5,859,854 |                | 35,659  | 2.45           | % |                 | 5,714,826 |                | 33,304  | 2.34       | % |                 | 4,952,970 |                | 14,404  | 1.17       | % |
| Borrowed funds:                      |                            |           |                |         |                |   |                 |           |                |         |            |   |                 |           |                |         |            |   |
| Short-term FHLB advances (e)         |                            | 199,978   |                | 2,755   | 5.54           | % |                 | 135,072   |                | 1,826   | 5.44       | % |                 | 387,543   |                | 4,938   | 5.11       | % |
| Repurchase agreements and other      |                            | 207,295   |                | 2,223   | 4.29           | % |                 | 253,758   |                | 2,358   | 3.72       | % |                 | 106,018   |                | 376     | 1.42       | % |
| Total short-term borrowings          |                            | 407,273   |                | 4,978   | 4.90           | % |                 | 388,830   |                | 4,184   | 4.31       | % |                 | 493,561   |                | 5,314   | 4.32       | % |
| Long-term FHLB advances              |                            | 132,579   |                | 1,316   | 3.99           | % |                 | 125,931   |                | 1,241   | 3.96       | % |                 | 33,819    |                | 205     | 2.43       | % |
| Long-term notes payable              |                            | 48,175    |                | 842     | 6.99           | % |                 | 50,407    |                | 862     | 6.84       | % |                 | 44,493    |                | 548     | 4.93       | % |
| Other long-term debt                 |                            | 1,000,000 |                | 10,000  | 1.00           | % |                 | 1,000,000 |                | 10,000  | 1.00       | % |                 | 1,000,000 |                | 10,000  | 1.00       | % |

|                                                   |                     |                  |             |   |                     |                  |             |   |                     |                  |             |   |
|---------------------------------------------------|---------------------|------------------|-------------|---|---------------------|------------------|-------------|---|---------------------|------------------|-------------|---|
| Other long-term borrowings (f)                    | 54,207              | 1,362            | 9.93        | % | 53,936              | 1,363            | 10.00       | % | 53,779              | 1,094            | 8.05        | % |
| Total long-term borrowings                        | 234,961             | 3,520            | 5.98        | % | 230,274             | 3,466            | 6.01        | % | 132,091             | 1,847            | 5.56        | % |
| Total borrowed funds                              | 642,234             | 8,498            | 5.30        | % | 619,104             | 7,650            | 4.94        | % | 625,652             | 7,161            | 4.58        | % |
| Total interest-bearing liabilities                | 6,502,088           | 44,157           | 2.73        | % | 6,333,930           | 40,954           | 2.60        | % | 5,578,622           | 21,565           | 1.55        | % |
| Non-interest-bearing deposits                     | 1,476,870           |                  |             |   | 1,501,738           |                  |             |   | 1,637,671           |                  |             |   |
| Other liabilities                                 | 140,042             |                  |             |   | 133,202             |                  |             |   | 175,152             |                  |             |   |
| Total liabilities                                 | 8,119,000           |                  |             |   | 7,968,870           |                  |             |   | 7,391,445           |                  |             |   |
| Total stockholders' equity                        | 1,061,454           |                  |             |   | 1,052,781           |                  |             |   | 951,438             |                  |             |   |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 9,180,454</b> |                  |             |   | <b>\$ 9,021,651</b> |                  |             |   | <b>\$ 8,342,883</b> |                  |             |   |
| Interest rate spread (b)                          |                     | <b>\$ 86,965</b> | 3.61        | % |                     | <b>\$ 86,992</b> | 3.69        | % |                     | <b>\$ 85,239</b> | 4.15        | % |
| <b>Net interest margin (b)</b>                    |                     |                  | <b>4.18</b> | % |                     |                  | <b>4.26</b> | % |                     |                  | <b>4.54</b> | % |

| (Dollars in thousands)                            | For the Six Months Ended |                 |             |          |                     |                 |             |  |
|---------------------------------------------------|--------------------------|-----------------|-------------|----------|---------------------|-----------------|-------------|--|
|                                                   | June 30, 2024            |                 |             |          | June 30, 2023       |                 |             |  |
|                                                   | Average Balance          | Income/ Expense | Yield/Cost  |          | Average Balance     | Income/ Expense | Yield/Cost  |  |
| Short-term investments                            | \$ 160,238               | \$ 4,424        | 5.55        | %        | \$ 47,008           | \$ 1,062        | 4.56        |  |
| <b>Investment securities (a)(b):</b>              |                          |                 |             |          |                     |                 |             |  |
| Taxable                                           | 1,671,453                | 28,850          | 3.45        | %        | 1,635,773           | 23,863          | 2.92        |  |
| Nontaxable                                        | 180,032                  | 2,528           | 2.81        | %        | 195,562             | 2,684           | 2.74        |  |
| Total investment securities                       | 1,851,485                | 31,378          | 3.39        | %        | 1,831,335           | 26,547          | 2.90        |  |
| <b>Loans (b)(c):</b>                              |                          |                 |             |          |                     |                 |             |  |
| Construction                                      | 334,196                  | 12,998          | 7.69        | %        | 300,270             | 10,454          | 6.92        |  |
| Commercial real estate, other                     | 2,075,468                | 73,662          | 7.02        | %        | 1,538,771           | 48,034          | 6.21        |  |
| Commercial and industrial                         | 1,216,743                | 47,412          | 7.71        | %        | 975,633             | 34,165          | 6.96        |  |
| Premium finance                                   | 235,459                  | 10,310          | 8.66        | %        | 151,244             | 4,809           | 6.32        |  |
| Leases                                            | 414,817                  | 24,049          | 11.47       | %        | 350,845             | 19,919          | 11.29       |  |
| Residential real estate (d)                       | 928,309                  | 22,782          | 4.91        | %        | 881,514             | 20,535          | 4.66        |  |
| Home equity lines of credit                       | 221,053                  | 8,909           | 8.10        | %        | 184,337             | 6,622           | 7.24        |  |
| Consumer, indirect                                | 656,324                  | 18,950          | 5.81        | %        | 646,045             | 15,173          | 4.74        |  |
| Consumer, direct                                  | 121,569                  | 4,194           | 6.94        | %        | 116,377             | 3,985           | 6.91        |  |
| Total loans                                       | 6,203,938                | 223,266         | 7.14        | %        | 5,145,036           | 163,696         | 6.35        |  |
| Allowance for credit losses                       | (62,990)                 |                 |             |          | (53,052)            |                 |             |  |
| Net loans                                         | 6,140,948                | 223,266         | 7.22        | %        | 5,091,984           | 163,696         | 6.41        |  |
| Total earning assets                              | 8,152,671                | 259,068         | 6.32        | %        | 6,970,327           | 191,305         | 5.49        |  |
| Goodwill and other intangible assets              | 409,292                  |                 |             |          | 356,470             |                 |             |  |
| Other assets                                      | 539,089                  |                 |             |          | 465,782             |                 |             |  |
| <b>Total assets</b>                               | <b>\$ 9,101,052</b>      |                 |             |          | <b>\$ 7,792,579</b> |                 |             |  |
| <b>Interest-bearing deposits:</b>                 |                          |                 |             |          |                     |                 |             |  |
| Savings accounts                                  | \$ 899,089               | \$ 448          | 0.10        | %        | \$ 1,071,174        | \$ 719          | 0.14        |  |
| Governmental deposit accounts                     | 779,906                  | 10,679          | 2.75        | %        | 666,683             | 3,396           | 1.03        |  |
| Interest-bearing demand accounts                  | 1,102,293                | 947             | 0.17        | %        | 1,142,648           | 712             | 0.13        |  |
| Money market accounts                             | 817,567                  | 10,307          | 2.54        | %        | 632,561             | 2,831           | 0.90        |  |
| Retail CDs                                        | 1,662,832                | 34,323          | 4.15        | %        | 702,809             | 5,959           | 1.71        |  |
| Brokered CDs (e)                                  | 525,653                  | 12,259          | 4.69        | %        | 353,760             | 6,447           | 3.68        |  |
| Total interest-bearing deposits                   | 5,787,340                | 68,963          | 2.40        | %        | 4,569,635           | 20,064          | 0.89        |  |
| <b>Borrowed funds:</b>                            |                          |                 |             |          |                     |                 |             |  |
| Short-term FHLB advances (e)                      | 167,525                  | 4,582           | 5.50        | %        | 382,677             | 9,252           | 4.88        |  |
| Repurchase agreements and other                   | 230,527                  | 4,580           | 3.97        | %        | 99,966              | 520             | 1.04        |  |
| Total short-term borrowings                       | 398,052                  | 9,162           | 4.62        | %        | 482,643             | 9,772           | 4.08        |  |
| Long-term FHLB advances                           | 129,255                  | 2,557           | 3.98        | %        | 33,916              | 409             | 2.43        |  |
| Long-term notes payable                           | 49,291                   | 1,704           | 6.91        | %        | 47,557              | 1,201           | 5.05        |  |
| Other long-term borrowings (f)                    | 54,071                   | 2,724           | 9.97        | %        | 33,902              | 1,390           | 8.15        |  |
| Total long-term borrowings                        | 232,617                  | 6,985           | 5.99        | %        | 115,375             | 3,000           | 5.19        |  |
| Total borrowed funds                              | 630,669                  | 16,147          | 5.12        | %        | 598,018             | 12,771          | 4.30        |  |
| Total interest-bearing liabilities                | 6,418,009                | 85,110          | 2.66        | %        | 5,167,653           | 32,836          | 1.28        |  |
| Non-interest-bearing deposits                     | 1,489,304                |                 |             |          | 1,598,985           |                 |             |  |
| Other liabilities                                 | 136,622                  |                 |             |          | 149,075             |                 |             |  |
| Total liabilities                                 | 8,043,935                |                 |             |          | 6,915,713           |                 |             |  |
| Total stockholders' equity                        | 1,057,117                |                 |             |          | 876,866             |                 |             |  |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 9,101,052</b>      |                 |             |          | <b>\$ 7,792,579</b> |                 |             |  |
| Interest rate spread (b)                          |                          | \$ 173,958      | 3.66        | %        |                     | \$ 158,469      | 4.21        |  |
| <b>Net interest margin (b)</b>                    |                          |                 | <b>4.22</b> | <b>%</b> |                     |                 | <b>4.54</b> |  |

(a) Average balances are based on carrying value.

(b) Interest income and yields are presented on a fully tax-equivalent basis, using a 21% statutory federal corporate income tax rate.

(c) Average balances include nonaccrual and impaired loans. Interest income includes interest earned and received on nonaccrual loans prior to the loans being placed on nonaccrual status. Loan fees included in interest income were immaterial for all periods presented.

(d) Loans held for sale are included in the average loan balance listed. Related interest income on loans originated for sale prior to the loan being sold is included in loan interest income.

(e) Interest related to interest rate swap transactions is included, as appropriate to the transaction, in interest expense on short-term FHLB advances and interest expense on brokered CDs for the periods presented in which FHLB advances and brokered CDs were being utilized.

(f) Included in other long-term borrowings are trust preferred securities held for investments and floating rate junior subordinated deferrable interest debentures.

Peoples' average balances compared to prior periods have been impacted by recent acquisitions, including the Limestone Merger as of the close of business on April 30, 2023, which added to average loan, deposit and borrowed funds balances. Peoples' cash balances have increased primarily due to an increase in interest-bearing deposits in other banks, mostly with the FRB. The increases in market interest rates have increased asset yields and deposit outflows (which have increased borrowings).

The following table provides an analysis of the changes in FTE net interest income:

| (Dollars in thousands)           | Three Months Ended June 30, 2024 Compared to |         |                      |               |         |                      | Six Months Ended June 30, 2024 Compared to |         |                      |        |
|----------------------------------|----------------------------------------------|---------|----------------------|---------------|---------|----------------------|--------------------------------------------|---------|----------------------|--------|
|                                  | March 31, 2024                               |         |                      | June 30, 2023 |         |                      | June 30, 2023                              |         |                      |        |
| Increase (decrease) in:          | Rate                                         | Volume  | Total <sup>(a)</sup> | Rate          | Volume  | Total <sup>(a)</sup> | Rate                                       | Volume  | Total <sup>(a)</sup> |        |
| INTEREST INCOME:                 |                                              |         |                      |               |         |                      |                                            |         |                      |        |
| Short-term investments           | \$                                           | \$62    | 498                  | 58            | \$59    | 1,069                | 1,828                                      | \$42    | 3,119                | 3,361  |
| Investment Securities (b):       |                                              |         |                      |               |         |                      |                                            |         |                      |        |
| Taxable                          |                                              | 692     | 230                  | 922           | 1,981   | 89                   | 2,070                                      | 4,455   | 532                  | 4,987  |
| Nontaxable                       |                                              | (333)   | 321                  | (12)          | (62)    | (104)                | (166)                                      | 157     | (313)                | (156)  |
| Total investment income          |                                              | 359     | 551                  | 910           | 1,919   | (15)                 | 1,904                                      | 4,612   | 219                  | 4,831  |
| Loans (b):                       |                                              |         |                      |               |         |                      |                                            |         |                      |        |
| Construction                     |                                              | 1,178   | (987)                | 191           | 2,470   | (2,366)              | 104                                        | 1,261   | 1,283                | 2,544  |
| Commercial real estate, other    |                                              | (795)   | (27)                 | (822)         | 2,350   | 5,830                | 8,180                                      | 6,987   | 18,641               | 25,628 |
| Commercial and industrial        |                                              | (816)   | 1,198                | 382           | 1,267   | 3,069                | 4,336                                      | 3,994   | 9,254                | 13,248 |
| Premium finance                  |                                              | 78      | 1,104                | 1,182         | 900     | 2,187                | 3,087                                      | 2,195   | 3,306                | 5,501  |
| Leases                           |                                              | (1,333) | 1,248                | (85)          | (191)   | 1,897                | 1,706                                      | 326     | 3,805                | 4,131  |
| Residential real estate          |                                              | 500     | (362)                | 138           | 587     | 55                   | 642                                        | 1,128   | 1,119                | 2,247  |
| Home equity lines of credit      |                                              | 141     | 174                  | 315           | 293     | 663                  | 956                                        | 854     | 1,433                | 2,287  |
| Consumer, indirect               |                                              | 386     | 2                    | 388           | 1,669   | 57                   | 1,726                                      | 3,528   | 249                  | 3,777  |
| Consumer, direct                 |                                              | 342     | (345)                | (3)           | (62)    | (90)                 | (152)                                      | 20      | 189                  | 209    |
| Total loan income                |                                              | (319)   | 2,005                | 1,686         | 9,283   | 11,302               | 20,585                                     | 20,293  | 39,279               | 59,572 |
| Total interest income            | \$                                           | \$22    | 3,054                | 3,176         | 11,361  | 12,956               | 24,313                                     | 25,347  | 42,017               | 67,764 |
| INTEREST EXPENSE:                |                                              |         |                      |               |         |                      |                                            |         |                      |        |
| Deposits:                        |                                              |         |                      |               |         |                      |                                            |         |                      |        |
| Savings accounts                 | \$                                           | \$(1)   | \$(3)                | (4)           | (268)   | (93)                 | (36\$)                                     | (167)   | (104)                | (271)  |
| Interest-bearing demand accounts |                                              | 78      | (35)                 | 43            | 13      | (50)                 | (37)                                       | 308     | (73)                 | 235    |
| Money market accounts            |                                              | 115     | 416                  | 531           | 2,805   | 608                  | 3,413                                      | 6,435   | 1,041                | 7,476  |
| Governmental deposit accounts    |                                              | 292     | 218                  | 510           | 2,878   | 386                  | 3,264                                      | 6,615   | 668                  | 7,283  |
| Retail CDs                       |                                              | 852     | 1,671                | 2,523         | 6,993   | 7,221                | 14,214                                     | 14,495  | 13,869               | 28,364 |
| Brokered CDs                     |                                              | (249)   | (998)                | (1,247)       | 747     | 16                   | 763                                        | 2,105   | 3,706                | 5,811  |
| Total deposit cost               |                                              | 1,087   | 1,269                | 2,356         | 13,168  | 8,088                | 21,256                                     | 29,791  | 19,107               | 48,898 |
| Borrowed funds:                  |                                              |         |                      |               |         |                      |                                            |         |                      |        |
| Short-term borrowings            |                                              | 696     | 97                   | 793           | 3,496   | (3,833)              | (337)                                      | 3,716   | (4,326)              | (610)  |
| Long-term borrowings             |                                              | 72      | (19)                 | 53            | 704     | 968                  | 1,672                                      | 1,217   | 2,769                | 3,986  |
| Total borrowed funds cost        |                                              | 768     | 78                   | 846           | 4,200   | (2,865)              | 1,335                                      | 4,933   | (1,557)              | 3,376  |
| Total interest expense           |                                              | 1,855   | 1,347                | 3,202         | 17,368  | 5,223                | 22,591                                     | 34,724  | 17,550               | 52,274 |
| FTE net interest income          | \$                                           | (1,733) | 1,707                | (206)         | (6,007) | 7,733                | 1,726                                      | (9,377) | 25,067               | 15,490 |

(a) The change in interest due to both rate and volume has been allocated to rate and volume changes in proportion to the relationship of the dollar amounts of the change in each.

(b) Interest income and yields are presented on a fully tax-equivalent basis, using a 21% statutory federal corporate income tax rate.

Compared to the linked quarter, net interest income was relatively flat for the second quarter of 2024. Net interest margin was 4.18% for the second quarter of 2024, compared to 4.26% for the linked quarter. The decrease in net interest margin was primarily

driven by a decrease in accretion income, net of amortization, from our acquisitions and higher borrowing costs, which offset higher earning asset yields.

Net interest income for the second quarter of 2024 grew 2% over the prior year quarter and net interest margin decreased by 36 basis points. The increase in net interest income compared to the second quarter of 2023 was driven by increases in market interest rates, the Limestone Merger, and organic growth. The decrease in net interest margin for the second quarter of 2024 compared to the second quarter of 2023, was driven primarily by an increase in interest expense on deposits.

For the first six months of 2024, net interest income increased \$15.5 million, or 10%, compared to the first six months of 2023, while net interest margin decreased 32 basis points to 4.22%. The increase in net interest income was driven by increases in market interest rates and an additional four months of income from the Limestone Merger. The decrease in net interest margin for the first six months of 2024 compared to the first six months of 2023 was primarily driven by higher borrowing costs, which offset higher earning asset yields.

Accretion income, net of amortization expense, from acquisitions was \$5.8 million for the second quarter of 2024, \$6.5 million for the linked quarter and \$4.5 million for the second quarter of 2023, which added 28 basis points, 32 basis points and 23 basis points, respectively, to net interest margin. The decrease in accretion income for the second quarter of 2024, when compared to the linked quarter was driven by lower loan pay-offs. The increase in accretion income for the second quarter of 2024 compared to the second quarter of 2023 was a result of accretion from the Limestone Merger. For the first half of 2023, accretion income totaled \$12.3 million and added 30 basis points to net interest margin compared to \$6.5 million and 18 basis points for the first half of 2023. The increase in accretion income for the first six months of 2024 compared to the same period in 2023 was due to more accretion in 2024 from the Limestone Merger.

Additional information regarding changes in the Unaudited Consolidated Balance Sheets can be found under appropriate captions of the "FINANCIAL CONDITION" section of this MD&A. Additional information regarding Peoples' interest rate risk and the potential impact of interest rate changes on Peoples' results of operations and financial condition can be found later in this MD&A under the caption "FINANCIAL CONDITION - Interest Rate Sensitivity and Liquidity."

#### Provision for Credit Losses

The following table details Peoples' provision for credit losses:

|                                                        | Three Months Ended |                   |                  | Six Months Ended |                  |
|--------------------------------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                                        | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <i>(Dollars in thousands)</i>                          |                    |                   |                  |                  |                  |
| Provision for other credit losses                      | \$ 5,397           | \$ 5,834          | \$ 7,751         | \$ 11,231        | \$ 9,42          |
| Provision for checking account overdraft credit losses | 286                | 268               | 232              | 554              | 41               |
| <b>Provision for credit losses</b>                     | <b>\$ 5,683</b>    | <b>\$ 6,102</b>   | <b>\$ 7,983</b>  | <b>\$ 11,785</b> | <b>\$ 9,83</b>   |

The provision for credit losses recorded represents the amount needed to maintain the appropriate level of the allowance for credit losses based on management's quarterly estimates. The provision for credit losses for the second quarter of 2024 was a result of (i) higher net-charge offs, (ii) an increase in reserves for individually analyzed loans and leases, and (iii) loan growth. The provision for credit losses for the second quarter of 2023 was due to a provision for the non-purchased credit deteriorated loans acquired in the Limestone Merger, partially offset by the release of reserves on individually analyzed loans and improvements in macro-economic conditions.

For the first half of 2024, the provision for credit losses was mainly the result of (i) higher net charge-offs, (ii) an increase of reserves on individually analyzed loans and leases and (iii) loan growth. For the first six months of 2023, the provision for credit losses was driven by (i) the addition of the provision for the non-purchased credit deteriorated loans acquired in the Limestone Merger, (ii) loan growth and (iii) economic forecast deterioration, partially offset by a reduction in the reserves for individually analyzed loans and leases and the use of updated loss drivers.

Additional information regarding changes in the allowance for credit losses and loan credit quality can be found later in this MD&A under the caption "FINANCIAL CONDITION - Allowance for Credit Losses."



### Net Loss Included in Total Non-Interest Income

Net loss includes net losses on investment securities, asset disposals and other transactions, which are recognized in total non-interest income. The following table details Peoples' net losses for the periods presented:

| (Dollars in thousands)                                    | Three Months Ended |                   |                  | Six Months Ended |           |  |
|-----------------------------------------------------------|--------------------|-------------------|------------------|------------------|-----------|--|
|                                                           | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,         |           |  |
|                                                           |                    |                   |                  | 2024             | 2023      |  |
| <b>Net loss on investment securities</b>                  | \$ (353)           | \$ (1)            | \$ (166)         | \$ (354)         | \$ (2,10) |  |
| Net loss on asset disposals and other transactions:       |                    |                   |                  |                  |           |  |
| Net loss on other assets                                  | (397)              | (309)             | (44)             | (706)            | (27)      |  |
| Net loss on OREO                                          | —                  | —                 | (1,613)          | —                | (1,62)    |  |
| Net loss on other transactions                            | (31)               | (32)              | (8)              | (63)             | (1)       |  |
| <b>Net loss on asset disposals and other transactions</b> | \$ (428)           | \$ (341)          | \$ (1,665)       | \$ (769)         | \$ (1,91) |  |

The net loss on investment securities for the second quarter of 2024 was driven by the loss recorded on a contingent call of a security. During the first quarter of 2023, Peoples executed sales of \$96.7 million of its lower yielding available-for-sale securities which were used to pay down overnight borrowings. The loss on the sales of the available-for-sale investment securities had a nominal impact on tangible book value as such loss was previously reflected in capital through accumulated other comprehensive loss.

The net loss for the second quarter of 2024 was driven primarily by \$0.4 million of net losses on repossessed assets. The net loss on asset disposals and other transactions for the first quarter of 2024 was due to \$0.3 million of net losses on repossessed assets. During the second quarter of 2023, Peoples recognized a \$1.6 million write-down of an OREO property due to the potential sale of the property.

### Total Non-Interest Income, Excluding Net Gains and Losses

Total non-interest income, excluding net gains and losses, comprised 22% of Peoples' total revenues (defined as net interest income plus total non-interest income excluding net gains and losses) for the second quarter of 2024, 23% for the linked quarter, and 21% for the second quarter of 2023. For the first six months of 2024, total non-interest income, excluding net gains and losses, totaled 23% of total revenues compared to 22% for the first six months of 2023.

For the second quarter of 2024, electronic banking income comprised the largest portion of Peoples' total non-interest income, excluding net gains and losses. Peoples' electronic banking ("e-banking") services include ATM and debit cards, direct deposit services, internet and mobile banking, and remote deposit capture, and serve as alternative delivery channels to traditional sales offices for providing services to customers. The following table details Peoples' e-banking income:

| (Dollars in thousands)  | Three Months Ended |                   |                  | Six Months Ended |           |
|-------------------------|--------------------|-------------------|------------------|------------------|-----------|
|                         | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,         |           |
|                         |                    |                   |                  | 2024             | 2023      |
| <b>E-banking income</b> | \$ 6,470           | \$ 6,046          | \$ 6,466         | \$ 12,516        | \$ 11,909 |

Peoples' e-banking income is derived largely from ATM and debit cards, as other services are mainly provided at no charge to customers. The amount of e-banking income is largely dependent on the timing and volume of customer activity. E-banking income increased for the second quarter of 2024 compared to the linked quarter primarily driven by an increase in customer activity.

The following table details Peoples' insurance income:

| (Dollars in thousands)                      | Three Months Ended |                   |                  | Six Months Ended |          |
|---------------------------------------------|--------------------|-------------------|------------------|------------------|----------|
|                                             | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,         |          |
|                                             |                    |                   |                  | 2024             | 2023     |
| Property and casualty insurance commissions | \$ 3,432           | \$ 3,585          | \$ 3,360         | \$ 7,017         | \$ 6,612 |
| Performance-based commissions               | 5                  | 2,213             | 35               | 2,218            | 1,562    |
| Life and health insurance commissions       | 672                | 700               | 609              | 1,372            | 1,255    |
| <b>Insurance income</b>                     | \$ 4,109           | \$ 6,498          | \$ 4,004         | \$ 10,607        | \$ 9,429 |

Peoples' insurance income for the second quarter of 2024 decreased \$2.4 million when compared to the linked quarter. The decrease in insurance income was due to seasonal performance-based commissions, which are annual in nature and typically occur in the first quarter of each year. Insurance income for the second quarter of 2024 increased \$0.1 million when compared to the second quarter of 2023, primarily due to new business and market increases for premiums. Insurance income in the first half of 2024 increased 12% when compared to the first half of 2023 due to higher commissions and additional customers.

Peoples' fiduciary income and brokerage income continued to be based primarily upon the value of assets under administration and management, with additional income generated from transaction commissions, cross-selling of products and additional retirement plan services business. The following table details Peoples' trust and investment income:

| (Dollars in thousands)             | Three Months Ended |                 |                 | Six Months Ended |                 |
|------------------------------------|--------------------|-----------------|-----------------|------------------|-----------------|
|                                    | June 30,           | March 31,       | June 30,        | June 30,         |                 |
|                                    | 2024               | 2024            | 2023            | 2024             | 2023            |
| Fiduciary income                   | \$ 2,212           | \$ 2,001        | \$ 2,046        | \$ 4,213         | \$ 3,851        |
| Brokerage income                   | 1,989              | 1,842           | 1,667           | 3,831            | 3,294           |
| Employee benefit fees              | 798                | 756             | 701             | 1,554            | 1,353           |
| <b>Trust and investment income</b> | <b>\$ 4,999</b>    | <b>\$ 4,599</b> | <b>\$ 4,414</b> | <b>\$ 9,598</b>  | <b>\$ 8,498</b> |

Fiduciary income and brokerage income increased in the second quarter of 2024 relative to the linked quarter due to market performance. When compared to the second quarter of 2023, fiduciary income and brokerage income increased, which was driven by an increase in assets under administration and management. For the first half of 2024, trust and investment income increased when compared to the same period in 2023 due to higher fiduciary and brokerage income, primarily reflecting market volatility.

The following table details Peoples' assets under administration and management:

| (Dollars in thousands) | June 30,<br>2024    | March 31,<br>2024   | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023    |
|------------------------|---------------------|---------------------|----------------------|-----------------------|---------------------|
| Trust                  | \$ 2,071,832        | \$ 2,061,402        | \$ 2,021,249         | \$ 1,900,488          | \$ 1,931,789        |
| Brokerage              | \$ 1,567,775        | \$ 1,530,954        | \$ 1,473,814         | 1,364,372             | 1,379,309           |
| <b>Total</b>           | <b>\$ 3,639,607</b> | <b>\$ 3,592,356</b> | <b>\$ 3,495,063</b>  | <b>\$ 3,264,860</b>   | <b>\$ 3,311,098</b> |
| Quarterly average      | \$ 3,587,952        | \$ 3,521,188        | \$ 3,341,868         | \$ 3,319,655          | \$ 3,205,186        |

The increases in assets under administration and management at June 30, 2024 compared to at March 31, 2024 were driven by market value fluctuations. The increases in assets under administration and management at June 30, 2024 when compared to at June 30, 2023 were primarily due to recent growth, through acquisitions, as Peoples added new accounts and the underlying market values of assets under management grew.

Deposit account service charges are based on the recovery of costs associated with services provided. The following table details Peoples' deposit account service charges:

| (Dollars in thousands)                  | Three Months Ended |                 |                 | Six Months Ended |                 |
|-----------------------------------------|--------------------|-----------------|-----------------|------------------|-----------------|
|                                         | June 30,           | March 31,       | June 30,        | June 30,         |                 |
|                                         | 2024               | 2024            | 2023            | 2024             | 2023            |
| Overdraft and non-sufficient funds fees | \$ 2,288           | \$ 2,255        | \$ 2,276        | \$ 4,543         | \$ 4,118        |
| Account maintenance fees                | 1,716              | 1,718           | 1,623           | 3,434            | 3,084           |
| Other fees and charges                  | 335                | 250             | 254             | 585              | 474             |
| <b>Deposit account service charges</b>  | <b>\$ 4,339</b>    | <b>\$ 4,223</b> | <b>\$ 4,153</b> | <b>\$ 8,562</b>  | <b>\$ 7,676</b> |

The amount of deposit account service charges, particularly fees for overdrafts and non-sufficient funds, is largely dependent on the timing and volume of customer activity. Management periodically evaluates its cost recovery fees to ensure they are reasonable based on operational costs and similar to fees charged in Peoples' markets by competitors. Deposit account service charges increased for the second quarter of 2024 compared to the linked quarter due to seasonality of customer activity. Deposit account service charges increased when comparing the second quarter of 2024 to the second quarter of 2023 due to the Limestone Merger. Deposit account service charges also increased for the first six months of 2024 compared to the same period of 2023 due to the Limestone Merger.

The following table details the other items included within Peoples' total non-interest income:

| (Dollars in thousands)           | Three Months Ended |           |          | Six Months Ended |       |
|----------------------------------|--------------------|-----------|----------|------------------|-------|
|                                  | June 30,           | March 31, | June 30, | June 30,         |       |
|                                  | 2024               | 2024      | 2023     | 2024             | 2023  |
| Other non-interest income        | 2,172              | 1,698     | 1,059    | 3,870            | 1,727 |
| Bank owned life insurance income | 1,037              | 1,500     | 842      | 2,537            | 1,549 |
| Lease income                     | 1,116              | 1,236     | 1,719    | 2,352            | 2,796 |
| Mortgage banking income          | 243                | 321       | 189      | 564              | 503   |

The increase in other non-interest income when comparing the three months ended June 30, 2024 to the linked quarter and the prior year quarter was primarily due to an increase in operating lease income. The increase in other non-interest income for the first six months of 2024 when compared to the same period of 2023 was driven by increased operating lease income.

Bank owned life insurance income for the second quarter of 2024 decreased compared to the linked quarter primarily due to a \$0.5 million death benefit recorded in the first quarter of 2024. Bank owned life insurance income for the second quarter and the first six months of 2024 increased when compared to the second quarter and first six months of 2023, due to the additional insurance policies acquired in the Limestone Merger and the aforementioned death benefit.

Lease income is primarily comprised of (i) gains on the early termination of leases, net of any associated purchase accounting adjustments, (ii) month-to-month lease payments in excess of net investment in the lease, net of any associated purchase accounting adjustment, (iii) fees received for referrals, (iv) gains and losses recognized on the sales of residual assets and (v) syndication income. Lease income for the second quarter of 2024 decreased compared to the second quarter of 2023 due to a decrease in gains on terminated leases and lower syndication income.

Mortgage banking income is comprised mostly of net gains from the origination and sale of real estate loans in the secondary market, and, to a lesser extent, servicing income for loans sold with servicing retained. As a result, the amount of income recognized by Peoples is largely dependent on customer demand and long-term interest rates for residential real estate loans offered in the secondary market. Mortgage banking income for the second quarter of 2024 was relatively flat when compared to each of the prior periods.

In the second quarter of 2024, Peoples sold \$2.6 million in loans into the secondary market with servicing retained and \$11.8 million in loans with servicing released, compared to \$0.2 million and \$6.9 million, respectively, in the first quarter of 2024, and \$1.1 million and \$6.1 million, respectively, in the second quarter of 2023. For the first six months of 2024, Peoples sold \$2.7 million in loans into the secondary market with servicing retained, and \$18.8 million with servicing released, compared to \$1.9 million and \$13.5 million, respectively, for the first six months of 2023.

#### Non-Interest Expense

Salaries and employee benefit costs remain Peoples' largest non-interest expense, accounting for over one-half of total non-interest expense. The following table details Peoples' salaries and employee benefit costs:

|                                            | Three Months Ended |                   |                  | Six Months Ended |                  |
|--------------------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                            | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <i>(Dollars in thousands)</i>              |                    |                   |                  |                  |                  |
| Base salaries and wages                    | \$ 24,437          | \$ 24,797         | \$ 27,407        | \$ 49,234        | \$ 47,739        |
| Sales-based and incentive compensation     | 5,404              | 5,254             | 5,502            | 10,658           | 9,447            |
| Employee benefits                          | 4,862              | 3,938             | 3,622            | 8,800            | 7,737            |
| Payroll taxes and other employment costs   | 1,825              | 2,836             | 1,535            | 4,661            | 3,905            |
| Stock-based compensation                   | 1,385              | 3,090             | 1,043            | 4,475            | 3,232            |
| Deferred personnel costs                   | (1,349)            | (1,022)           | (1,084)          | (2,371)          | (2,007)          |
| <b>Salaries and employee benefit costs</b> | <b>\$ 36,564</b>   | <b>\$ 38,893</b>  | <b>\$ 38,025</b> | <b>\$ 75,457</b> | <b>\$ 70,053</b> |
| Full-time equivalent employees:            |                    |                   |                  |                  |                  |
| Actual at end of period                    | 1,489              | 1,498             | 1,500            | 1,489            | 1,500            |
| Average during the period                  | 1,492              | 1,492             | 1,393            | 1,491            | 1,305            |

Base salaries and wages for the second quarter of 2024 remained relatively flat compared to the linked quarter. The current quarter decrease compared to the second quarter of 2023 was primarily due to the decrease of acquisition-related expenses. Base salaries and wages for the first six months of 2024 increased compared to the first six months of 2023 due to the additional expense associated with employees added with the Limestone Merger coupled with annual merit increases.

Sales-based incentive compensation for the first six months of 2024 compared to the first six months of 2023 increased primarily due to additional employees added with the Limestone Merger.

The increase in employee benefits for the second quarter of 2024 compared to the linked quarter and the second quarter of 2023 was primarily due to increased medical costs. The increase for the first six months of 2024 compared to the first six months of 2023 was primarily due to higher medical costs reflecting a full six months of expenses in 2024 for the additional employees added with the Limestone Merger.

Payroll taxes and other employment costs for the second quarter of 2024 decreased compared to the linked quarter due to seasonal expenses recognized in the first quarter of each year. Also impacting the increase in payroll taxes and other employment costs when compared to the second quarter of 2023 were the additional employees added in the Limestone Merger. The increase for the first six

months of 2024 compared to the first six months of 2023 was driven by the additional employees added in the Limestone Merger coupled with annual merit increases.

Stock-based compensation is generally recognized over the vesting period, which generally ranges from immediate vesting to vesting at the end of three years. An adjustment is made at the vesting date to reverse expense relating to forfeitures for performance awards, and at the date of forfeiture to reverse expense for non-vested restricted common share awards. Stock grants to retirement eligible grantees are expensed either immediately or over a shorter period than three years. The majority of Peoples' stock-based compensation is attributable to annual equity-based incentive awards to employees, which are awarded in the first quarter of each year based upon Peoples achieving certain performance goals during the prior year, and are generally contingent on employment through the vesting period. Stock-based compensation for the second quarter of 2024 decreased when compared to the first quarter of 2024 due to seasonal expenses recognized in the first quarter of each year.

Deferred personnel costs represent the portion of current period salaries and employee benefit costs considered to be direct loan origination costs. These costs are capitalized and recognized over the life of the loan as a yield adjustment in interest income. As a result, the amount of deferred personnel costs for each period corresponds directly with the volume of loan originations, coupled with the average deferred costs per loan that are updated annually at the beginning of each year. Deferred personnel costs for the second quarter of 2024 increased when compared to both the first quarter of 2024 and the second quarter of 2023 due to an increase in loan origination volume.

Peoples' net occupancy and equipment expense was comprised of the following:

| (Dollars in thousands)                     | Three Months Ended |                 |                 | Six Months Ended |                  |
|--------------------------------------------|--------------------|-----------------|-----------------|------------------|------------------|
|                                            | June 30,           | March 31,       | June 30,        | June 30,         |                  |
|                                            | 2024               | 2024            | 2023            | 2024             | 2023             |
| Depreciation                               | \$ 2,170           | \$ 2,170        | \$ 1,876        | \$ 4,340         | \$ 3,666         |
| Repairs and maintenance costs              | 1,607              | 1,821           | 1,334           | 3,428            | 2,595            |
| Property taxes, utilities and other costs  | 1,152              | 1,293           | 1,182           | 2,445            | 2,339            |
| Net rent expense                           | 1,213              | 999             | 988             | 2,212            | 1,735            |
| <b>Net occupancy and equipment expense</b> | <b>\$ 6,142</b>    | <b>\$ 6,283</b> | <b>\$ 5,380</b> | <b>\$ 12,425</b> | <b>\$ 10,335</b> |

The second quarter of 2024 net occupancy and equipment expense was relatively flat when compared to the linked quarter. The second quarter and the first six months of 2024 net occupancy and equipment expense increased when compared to the same periods of 2023 due to additional net occupancy and equipment expense from the Limestone Merger.

The following table details the other items included in total non-interest expense:

| (Dollars in thousands)                  | Three Months Ended |           |          | Six Months Ended |          |
|-----------------------------------------|--------------------|-----------|----------|------------------|----------|
|                                         | June 30,           | March 31, | June 30, | June 30,         |          |
|                                         | 2024               | 2024      | 2023     | 2024             | 2023     |
| Data processing and software expense    | \$ 6,743           | \$ 5,769  | \$ 4,728 | \$ 12,512        | \$ 9,290 |
| Professional fees                       | 2,935              | 2,967     | 7,438    | 5,902            | 10,319   |
| Amortization of other intangible assets | 2,787              | 2,788     | 2,800    | 5,575            | 4,671    |
| E-banking expense                       | 1,941              | 1,781     | 1,832    | 3,722            | 3,323    |
| FDIC insurance premiums                 | 1,251              | 1,186     | 1,464    | 2,437            | 2,265    |
| Other loan expenses                     | 1,036              | 1,076     | 538      | 2,112            | 1,277    |
| Franchise tax expense                   | 760                | 881       | 872      | 1,641            | 1,906    |
| Communication expense                   | 736                | 799       | 724      | 1,535            | 1,337    |
| Marketing expense                       | 681                | 1,056     | 1,357    | 1,737            | 2,287    |
| Other non-interest expense              | 7,182              | 4,986     | 5,465    | 12,168           | 10,039   |

Data processing and software expenses for the second quarter of 2024 increased compared to the linked quarter due to higher expenses attributable to recent technology projects. The increase for the second quarter and the first six months of 2024 when compared to the same periods in 2023 was driven by software upgrades and implementation of new systems, coupled with the increased size of Peoples' organization as a result of the Limestone Merger.

Professional fees for the second quarter of 2024 were flat when compared to the linked quarter. Professional fees for the second quarter and first six months of 2024 compared to the same periods in 2023 decreased due to less acquisition-related expenses.

Amortization of other intangible assets for the second quarter of 2024 was flat compared to the linked quarter and the prior year quarter. Amortization of other intangible assets for the first six months of 2024 increased when compared to the same period of 2023 due to amortization of intangible assets recognized in the Limestone Merger.

Peoples' e-banking expense is comprised of costs associated with debit and ATM cards. The increase in electronic banking income compared to the linked quarter and the first quarter of 2023 was due to an increase in customer activity. E-banking expense increased for the first six months of 2024 when compared to the first six months of 2023 due to additional customers brought in from the Limestone Merger.

Peoples' FDIC insurance premiums for the second quarter of 2024 were relatively flat when compared to the linked quarter and the first quarter of 2023. FDIC insurance premiums for the first six months of 2024 increased when compared to the first six months of 2023 due to organic and acquisitive growth and an increase in rates assessed by the FDIC.

Other loan expenses during the second quarter of 2024 were relatively flat when compared to the linked quarter. Other loan expenses increased for the second quarter and the first six months of 2024 when compared to the same periods of 2023 primarily due to increases in miscellaneous loan and collection expenses as a result of increased insurance costs associated with consumer indirect loans.

Marketing expense for the second quarter of 2024 decreased when compared to the linked quarter due to lower advertising expense. Marketing expense for the second quarter and the first six months of 2024 decreased when compared to the same periods of 2023 due to lower acquisition-related expenses.

Peoples is subject to state franchise taxes, which are based largely on Peoples' equity, in the states where Peoples has a physical presence. Franchise tax expense also includes the Ohio Financial Institution Tax ("FIT"), which is a business privilege tax that is imposed on financial institutions organized for profit and doing business in Ohio. The Ohio FIT is based on the total equity capital in proportion to the taxpayer's gross receipts in Ohio as of the most recent year-end. The decrease in franchise tax expense for the second quarter of 2024 when compared to the second quarter of 2023 was driven by a lower apportionment in Ohio.

Other non-interest expense for the second quarter of 2024 increased when compared to the linked quarter and the second quarter of 2023 due to a one-time prior period true-up of corporate expenses.

#### **Income Tax Expense**

Peoples recorded income tax expense of \$6.9 million with an effective tax rate of 19.1% for the second quarter of 2024, compared to income tax expense of \$8.3 million with an effective tax rate of 21.8% for the linked quarter and income tax expense of \$6.2 million with an effective tax rate of 22.6% for the second quarter of 2023. The decrease in income tax expense when compared to the prior quarter was driven by a \$1.1 million one-time benefit related to a prior year amended return. The increase in income tax expense when compared to the second quarter of 2023 was primarily due to higher pre-tax income. Peoples recorded income tax expense of \$15.1 million with an effective tax rate of 20.5% in the first six months of 2024 and \$13.2 million with an effective tax rate of 21.7% in the first six months of 2023. The increase was driven by higher pre-tax income.

Additional information regarding income taxes can be found in "Note 13. Income Taxes" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K.

#### **Pre-Provision Net Revenue (Non-US GAAP)**

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

The following table provides a reconciliation of this Non-US GAAP financial measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

| (Dollars in thousands)                                                | Three Months Ended |                   |                  | Six Months Ended |                  |
|-----------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                                                       | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <b>Pre-provision net revenue:</b>                                     |                    |                   |                  |                  |                  |
| Income before income taxes                                            | \$ 35,876          | \$ 37,852         | \$ 27,262        | \$ 73,728        | \$ 60,868        |
| Add: provision for credit losses                                      | 5,683              | 6,102             | 7,983            | 11,785           | 9,836            |
| Add: loss on OREO                                                     | —                  | —                 | 1,612            | —                | 1,622            |
| Add: loss on investment securities                                    | 353                | 1                 | 166              | 354              | 2,101            |
| Add: loss on other assets                                             | 397                | 309               | 45               | 706              | 274              |
| Add: loss on other transactions                                       | 31                 | 32                | 8                | 63               | 15               |
| <b>Pre-provision net revenue</b>                                      | <b>\$ 42,340</b>   | <b>\$ 44,296</b>  | <b>\$ 37,076</b> | <b>\$ 86,636</b> | <b>\$ 74,716</b> |
| Total average assets                                                  | \$9,180,454        | \$9,021,651       | \$8,342,883      | \$9,101,052      | \$7,792,579      |
| <b>Pre-provision net revenue to total average assets (annualized)</b> | <b>1.85 %</b>      | <b>1.97 %</b>     | <b>1.78 %</b>    | <b>1.91 %</b>    | <b>1.93 %</b>    |
| Weighted-average common shares outstanding - diluted                  | 35,117,648         | 35,051,810        | 32,649,976       | 35,071,550       | 30,314,504       |
| <b>Pre-provision net revenue per common share - diluted</b>           | <b>\$ 1.20</b>     | <b>\$ 1.26</b>    | <b>\$ 1.13</b>   | <b>\$ 2.45</b>   | <b>\$ 2.45</b>   |

The decrease in the PPNR for the second quarter of 2024 compared to the linked quarter was driven by decreased non-interest income and lower accretion income. The increase in PPNR for the second quarter of 2024 when compared to the second quarter of 2023 was due to increased net interest income reflecting the positive impact of the additional net interest income from Limestone customers after the Limestone Merger.

#### Core Non-Interest Expense (Non-US GAAP)

Core non-interest expense is a financial measure used to evaluate Peoples' recurring expense stream. This measure is Non-US GAAP since it excludes the impact of all acquisition-related expenses.

The following table provides a reconciliation of this Non-US GAAP measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

| (Dollars in thousands)                  | Three Months Ended |                   |                  | Six Months Ended  |                   |
|-----------------------------------------|--------------------|-------------------|------------------|-------------------|-------------------|
|                                         | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024  | June 30,<br>2023  |
| <b>Core non-interest expense:</b>       |                    |                   |                  |                   |                   |
| Total non-interest expense              | \$ 68,758          | \$ 68,465         | \$ 70,623        | \$ 137,223        | \$ 127,102        |
| Less: acquisition-related expenses      | —                  | (84)              | 10,709           | (84)              | 11,260            |
| Add: COVID-19 Employee Retention Credit | —                  | —                 | 548              | —                 | 548               |
| <b>Core non-interest expense</b>        | <b>\$ 68,758</b>   | <b>\$ 68,549</b>  | <b>\$ 60,462</b> | <b>\$ 137,307</b> | <b>\$ 116,390</b> |

#### Efficiency Ratio (Non-US GAAP)

The efficiency ratio is a key financial measure used to monitor performance. The efficiency ratio is calculated as total non-interest expense (less amortization of other intangible assets) as a percentage of FTE net interest income plus total non-interest income excluding net gains and losses. This measure is Non-US GAAP since it excludes amortization of other intangible assets and all gains and losses included in earnings, and uses FTE net interest income.

The following table provides a reconciliation of this Non-US GAAP financial measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

|                                                          | Three Months Ended |                   |                  | Six Months Ended |                  |
|----------------------------------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                                          | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <i>(Dollars in thousands)</i>                            |                    |                   |                  |                  |                  |
| <b>Efficiency ratio:</b>                                 |                    |                   |                  |                  |                  |
| Total non-interest expense                               | \$ 68,758          | \$ 68,465         | \$ 70,623        | \$ 137,223       | \$ 127,102       |
| Less: amortization of other intangible assets            | 2,787              | 2,788             | 2,800            | 5,575            | 4,671            |
| Adjusted total non-interest expense                      | 65,971             | 65,677            | 67,823           | 131,648          | 122,431          |
| Total non-interest income                                | 23,704             | 25,779            | 21,015           | 49,483           | 40,075           |
| Less: net loss on investment securities                  | (353)              | (1)               | (166)            | (354)            | (2,101)          |
| Less: net loss on asset disposals and other transactions | (428)              | (341)             | (1,665)          | (769)            | (1,911)          |
| Total non-interest income excluding net losses           | 24,485             | 26,121            | 22,846           | 50,606           | 44,087           |
| Net interest income                                      | 86,613             | 86,640            | 84,853           | 173,253          | 157,731          |
| Add: FTE adjustment (a)                                  | 352                | 352               | 386              | 705              | 738              |
| Net interest income on an FTE basis                      | 86,965             | 86,992            | 85,239           | 173,958          | 158,469          |
| Adjusted revenue                                         | \$ 111,450         | \$ 113,113        | \$ 108,085       | \$ 224,564       | \$ 202,556       |
| <b>Efficiency ratio</b>                                  | <b>59.19 %</b>     | <b>58.06 %</b>    | <b>62.75 %</b>   | <b>58.62 %</b>   | <b>60.44</b>     |
| <b>Efficiency ratio adjusted for non-core items:</b>     |                    |                   |                  |                  |                  |
| Core non-interest expense                                | \$ 68,758          | \$ 68,549         | \$ 60,462        | \$ 137,307       | \$ 116,390       |
| Less: amortization of other intangible assets            | 2,787              | 2,788             | 2,800            | 5,575            | 4,671            |
| Adjusted core non-interest expense                       | 65,971             | 65,761            | 57,662           | 131,732          | 111,719          |
| Non-interest income excluding net losses                 | 24,485             | 26,121            | 22,846           | 50,606           | 44,087           |
| Net interest income on an FTE basis                      | 86,965             | 86,992            | 85,239           | 173,958          | 158,469          |
| Adjusted revenue                                         | \$ 111,450         | \$ 113,113        | \$ 108,085       | \$ 224,564       | \$ 202,556       |
| <b>Efficiency ratio adjusted for non-core items</b>      | <b>59.19 %</b>     | <b>58.14 %</b>    | <b>53.35 %</b>   | <b>58.66 %</b>   | <b>55.15</b>     |

(a) Interest income and yields are presented on a fully tax-equivalent basis, using a 21% statutory federal corporate income tax rate.

The efficiency ratio for the second quarter of 2024 when compared to the linked quarter was higher as the result of a reduction in fee-based income and improved compared to prior year quarter due to the decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, increased compared to the linked quarter mainly as a result of a reduction in non-interest income. The efficiency ratio for the first six months of 2024 improved compared to the prior year first six months due to the decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, increased for the first six months of 2024 when compared to the first six months of 2023, primarily due to increased non-interest expense. Peoples continues to focus on controlling expenses, while recognizing necessary costs in order to continue growing the business.

#### Return on Average Assets Adjusted for Non-Core Items Ratio (Non-US GAAP)

In addition to return on average assets, management uses return on average assets adjusted for non-core items to monitor performance. The return on average assets adjusted for non-core items ratio represents a Non-US GAAP financial measure since it excludes the after-tax impact of all gains and losses and acquisition-related expenses.

The following table provides a reconciliation of this Non-US GAAP financial measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

| (Dollars in thousands)                                                     | Three Months Ended |                   |                  | Six Months Ended |                  |
|----------------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                                                            | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <b>Annualized net income adjusted for non-core items:</b>                  |                    |                   |                  |                  |                  |
| Net income                                                                 | \$ 29,007          | \$ 29,584         | \$ 21,096        | \$ 58,591        | \$ 47,656        |
| Add: net loss on investment securities                                     | 353                | 1                 | 166              | 354              | 2,101            |
| Less: tax effect of net loss on investment securities (a)                  | 74                 | —                 | 35               | 74               | 441              |
| Add: net loss on asset disposals and other transactions                    | 428                | 341               | 1,665            | 769              | 1,911            |
| Less: tax effect of net loss on asset disposals and other transactions (a) | 90                 | 72                | 349              | 161              | 401              |
| Add: acquisition-related expenses                                          | —                  | (84)              | 10,709           | (84)             | 11,260           |
| Less: tax effect of acquisition-related expenses (a)                       | —                  | (18)              | 2,249            | (18)             | 2,365            |
| Less: COVID-19 Employee Retention Credit                                   | —                  | —                 | 548              | —                | 548              |
| Add: tax effect of COVID-19 Employee Retention Credit (a)                  | —                  | —                 | 115              | —                | 115              |
| Net income adjusted for non-core items (after tax)                         | \$ 29,624          | \$ 29,788         | \$ 30,570        | \$ 59,413        | \$ 59,288        |
| Days in the period                                                         | 91                 | 91                | 91               | 182              | 181              |
| Days in the year                                                           | 366                | 366               | 365              | 366              | 365              |
| Annualized net income                                                      | \$ 116,666         | \$ 118,986        | \$ 84,616        | \$ 117,826       | \$ 96,102        |
| Annualized net income adjusted for non-core items (after tax)              | \$ 119,147         | \$ 119,807        | \$ 122,616       | \$ 119,479       | \$ 119,559       |
| <b>Return on average assets:</b>                                           |                    |                   |                  |                  |                  |
| Annualized net income                                                      | \$ 116,666         | \$ 118,986        | \$ 84,616        | \$ 117,826       | \$ 96,102        |
| Total average assets                                                       | 9,180,454          | 9,021,651         | 8,342,883        | 9,101,052        | 7,792,579        |
| Return on average assets                                                   | 1.27 %             | 1.32 %            | 1.01 %           | 1.29 %           | 1.23 %           |
| <b>Return on average assets adjusted for non-core items:</b>               |                    |                   |                  |                  |                  |
| Annualized net income adjusted for non-core items (after tax)              | \$ 119,147         | \$ 119,807        | \$ 122,616       | \$ 119,479       | \$ 119,559       |
| Total average assets                                                       | 9,180,454          | 9,021,651         | 8,342,883        | 9,101,052        | 7,792,579        |
| Return on average assets adjusted for non-core items (after tax)           | 1.30 %             | 1.33 %            | 1.47 %           | 1.31 %           | 1.53 %           |

(a) Based on a 21% statutory federal corporate income tax rate.

The return on average assets and the return on average assets adjusted for non-core items for the second quarter of 2024 decreased when compared to the linked quarter, due to a decrease in annualized net income resulting from lower non-interest income and by an increase in average assets. The decrease in the return on average assets adjusted for non-core items for the second quarter of 2024, compared to the second quarter of 2023, was attributable to an increase in annualized net income primarily due to an increase in net interest income, partially offset by the assets acquired in the Limestone Merger and an increase in expenses. The decrease in return on average assets adjusted for non-core items for the first six months of 2024 when compared to the first six months of 2023, was primarily driven by an increase in annualized net income, partially offset with assets acquired in the Limestone Merger.

#### Return on Average Tangible Equity Ratio (Non-US GAAP)

The return on average tangible equity ratio is a key financial measure used to monitor performance. This ratio is calculated as annualized net income (less the after-tax impact of amortization of other intangible assets) divided by average tangible equity. This



measure is Non-US GAAP since it excludes amortization of other intangible assets from earnings and the impact of goodwill and other intangible assets acquired through acquisitions on total stockholders' equity.

|                                                                                 | Three Months Ended |                   |                  | Six Months Ended |                  |
|---------------------------------------------------------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                                                                 | June 30,<br>2024   | March 31,<br>2024 | June 30,<br>2023 | June 30,<br>2024 | June 30,<br>2023 |
| <i>(Dollars in thousands)</i>                                                   |                    |                   |                  |                  |                  |
| <b>Annualized net income excluding amortization of other intangible assets:</b> |                    |                   |                  |                  |                  |
| Net income                                                                      | \$ 29,007          | \$ 29,584         | \$ 21,096        | \$ 58,591        | \$ 47,656        |
| Add: amortization of other intangible assets                                    | 2,787              | 2,788             | 2,800            | 5,575            | 4,671            |
| Less: tax effect of amortization of other intangible assets (a)                 | 585                | 585               | 588              | 1,171            | 981              |
| Net income excluding amortization of other intangible assets                    | \$ 31,209          | \$ 31,787         | \$ 23,308        | \$ 62,995        | \$ 51,346        |
| Days in the period                                                              | 91                 | 91                | 91               | 182              | 181              |
| Days in the year                                                                | 366                | 366               | 365              | 366              | 365              |
| Annualized net income                                                           | \$ 116,666         | \$ 118,986        | \$ 84,616        | \$ 117,826       | \$ 96,102        |
| Annualized net income excluding amortization of other intangible assets         | \$ 125,522         | \$ 127,847        | \$ 93,488        | \$ 126,682       | \$ 103,543       |
| <b>Average tangible equity:</b>                                                 |                    |                   |                  |                  |                  |
| Total average stockholders' equity                                              | \$ 1,061,454       | \$ 1,052,781      | \$ 951,438       | \$ 1,057,117     | \$ 876,866       |
| Less: average goodwill and other intangible assets                              | 407,864            | 410,719           | 387,055          | 409,292          | 356,470          |
| Average tangible equity                                                         | \$ 653,590         | \$ 642,062        | \$ 564,383       | \$ 647,825       | \$ 520,396       |
| <b>Return on total average stockholders' equity ratio:</b>                      |                    |                   |                  |                  |                  |
| Annualized net income                                                           | \$ 116,666         | \$ 118,986        | \$ 84,616        | \$ 117,826       | \$ 96,102        |
| Total average stockholders' equity                                              | \$ 1,061,454       | \$ 1,052,781      | \$ 951,438       | \$ 1,057,117     | \$ 876,866       |
| Return on total average stockholders' equity                                    | 10.99 %            | 11.30 %           | 8.89 %           | 11.15 %          | 10.96 %          |
| <b>Return on average tangible equity ratio:</b>                                 |                    |                   |                  |                  |                  |
| Annualized net income excluding amortization of other intangible assets         | \$ 125,522         | \$ 127,847        | \$ 93,488        | \$ 126,682       | \$ 103,543       |
| Average tangible equity                                                         | \$ 653,590         | \$ 642,062        | \$ 564,383       | \$ 647,825       | \$ 520,396       |
| Return on average tangible equity                                               | 19.21 %            | 19.91 %           | 16.56 %          | 19.55 %          | 19.90 %          |

(a) Based on a 21% statutory federal corporate income tax rate.

The return on total average stockholders' equity and average tangible equity ratios decreased when compared to the linked quarter due to a decrease in annualized net income mainly attributable to a decrease in non-interest income. The increases in the return on total average stockholders' equity and average tangible equity ratios in the second quarter of 2024 when compared to the same period of 2023 were due to an increase in total net interest income driven by the 2023 increases in market interest rates and additional net interest income from Limestone following the Limestone Merger.

## FINANCIAL CONDITION

### Cash and Cash Equivalents

At June 30, 2024, Peoples' interest-bearing deposits in other banks had decreased \$199.2 million from December 31, 2023. The total cash and cash equivalents balance included \$109.7 million of excess cash reserves being maintained at the FRB of Cleveland at June 30, 2024, compared to \$309.8 million at December 31, 2023. The amount of excess cash reserves maintained is dependent upon Peoples' daily liquidity position, which is driven primarily by changes in deposit and loan balances.

Through the first six months of 2024, Peoples' total cash and cash equivalents decreased \$190.9 million, which reflected cash outflows of \$273.4 million of cash used in investing activities, partially offset by cash inflows of \$69.1 million of cash provided by operating activities and \$13.4 million of cash provided by financing activities. Peoples' use of cash in investing activities reflected a \$164.5 million net increase in loans held for investment and a net cash outflow from available-for-sale investment securities of \$83.4 million. The cash provided by financing activities was largely driven by a \$240.4 million net increase in interest-bearing deposits, mostly offset by a net decrease in short-term borrowings of \$118.4 million and a net decrease in non-interest bearing deposits of \$95.0 million.

Further information regarding the management of Peoples' liquidity position can be found later in this discussion under "Interest Rate Sensitivity and Liquidity."

### Investment Securities

The following table provides information regarding Peoples' investment portfolio:

| <i>(Dollars in thousands)</i>                          | Weighted Average<br>Yield |           | June 30,<br>2024 | March 31,<br>2024   | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023    |
|--------------------------------------------------------|---------------------------|-----------|------------------|---------------------|----------------------|-----------------------|---------------------|
| <b>Available-for-sale securities, at fair value:</b>   |                           |           |                  |                     |                      |                       |                     |
| Obligations of:                                        |                           |           |                  |                     |                      |                       |                     |
| U.S. Treasury and government agencies                  | 4.19 %                    | \$        | 28,343           | \$ 28,773           | \$ 30,296            | \$ 42,466             | \$ 75,255           |
| U.S. government sponsored agencies                     | 4.37 %                    |           | 230,916          | 200,460             | 118,607              | 103,932               | 98,324              |
| States and political subdivisions                      | 2.54 %                    |           | 202,804          | 208,750             | 213,296              | 220,460               | 248,271             |
| Residential mortgage-backed securities                 | 2.33 %                    |           | 601,002          | 621,691             | 628,924              | 593,104               | 635,487             |
| Commercial mortgage-backed securities                  | 1.87 %                    |           | 50,035           | 50,791              | 51,234               | 50,840                | 52,830              |
| Bank-issued trust preferred securities                 | 4.51 %                    |           | 6,039            | 6,001               | 5,965                | 7,779                 | 23,272              |
| <b>Total fair value</b>                                |                           | <b>\$</b> | <b>1,119,139</b> | <b>\$ 1,116,466</b> | <b>\$ 1,048,322</b>  | <b>\$ 1,018,581</b>   | <b>\$ 1,133,439</b> |
| Total amortized cost                                   |                           | \$        | 1,266,060        | \$ 1,262,319        | \$ 1,184,288         | \$ 1,211,794          | \$ 1,292,331        |
| Net unrealized loss                                    |                           | \$        | (146,921)        | \$ (145,853)        | \$ (135,966)         | \$ (193,213)          | \$ (158,892)        |
| <b>Held-to-maturity securities, at amortized cost:</b> |                           |           |                  |                     |                      |                       |                     |
| Obligations of:                                        |                           |           |                  |                     |                      |                       |                     |
| U.S. government sponsored agencies                     | 4.99 %                    | \$        | 212,023          | \$ 188,423          | \$ 188,475           | \$ 174,699            | \$ 176,027          |
| States and political subdivisions (a)                  | 2.23 %                    |           | 144,134          | 144,315             | 144,258              | 144,490               | 144,668             |
| Residential mortgage-backed securities                 | 3.88 %                    |           | 246,283          | 246,579             | 248,559              | 248,627               | 243,807             |
| Commercial mortgage-backed securities                  | 2.46 %                    |           | 99,782           | 100,427             | 102,365              | 107,593               | 109,423             |
| <b>Total amortized cost</b>                            |                           | <b>\$</b> | <b>702,222</b>   | <b>\$ 679,744</b>   | <b>\$ 683,657</b>    | <b>\$ 675,409</b>     | <b>\$ 673,925</b>   |
| <b>Other investment securities</b>                     |                           | <b>\$</b> | <b>62,742</b>    | <b>\$ 62,939</b>    | <b>\$ 63,421</b>     | <b>\$ 66,332</b>      | <b>\$ 63,579</b>    |
| <b>Total investment securities:</b>                    |                           |           |                  |                     |                      |                       |                     |
| Amortized cost                                         |                           | \$        | 2,031,024        | \$ 2,005,002        | \$ 1,931,366         | \$ 1,953,535          | \$ 2,029,835        |
| Carrying value                                         |                           | \$        | 1,884,103        | \$ 1,859,149        | \$ 1,795,400         | \$ 1,760,322          | \$ 1,870,943        |

) Amortized cost is presented net of the allowance for credit losses of \$238 at June 30, 2024 and at March 31, 2024, and \$241 at June 30, 2023.

For the second quarter of 2024, total investment securities increased compared to all prior periods due to higher yielding, longer duration securities booked to held-to-maturity. During the fourth quarter of 2023, Peoples executed the sales of \$36.5 million of lower yielding available-for-sale investment securities for an after-tax loss of \$1.3 million. Proceeds from the sales were used to purchase higher yielding agency investment securities. The realized losses recognized due to the fourth quarter of 2023 sales are expected to be earned back within 14 months of the transaction dates.

Additional information regarding Peoples' investment portfolio can be found in "Note 3 Investment Securities" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

## Loans and Leases

The following table provides information regarding outstanding loan balances:

| <i>(Dollars in thousands)</i>                                  | June 30,<br>2024    | March 31,<br>2024   | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023    |
|----------------------------------------------------------------|---------------------|---------------------|----------------------|-----------------------|---------------------|
| <b>Originated loans and leases:</b>                            |                     |                     |                      |                       |                     |
| Construction                                                   | \$ 291,240          | \$ 262,209          | \$ 279,335           | \$ 289,657            | \$ 297,051          |
| Commercial real estate, other                                  | 1,240,069           | 1,263,577           | 1,209,204            | 1,161,064             | 1,035,473           |
| Commercial real estate                                         | 1,531,309           | 1,525,786           | 1,488,539            | 1,450,721             | 1,332,524           |
| Commercial and industrial                                      | 1,032,753           | 972,191             | 938,659              | 860,407               | 873,386             |
| Premium finance                                                | 293,349             | 238,962             | 203,177              | 189,251               | 162,357             |
| Leases                                                         | 390,160             | 373,626             | 357,217              | 328,365               | 287,948             |
| Residential real estate                                        | 441,293             | 420,518             | 418,570              | 405,917               | 396,667             |
| Home equity lines of credit                                    | 172,766             | 164,019             | 148,155              | 140,787               | 132,222             |
| Consumer, indirect                                             | 675,054             | 650,228             | 666,472              | 668,371               | 654,371             |
| Consumer, direct                                               | 100,836             | 99,022              | 112,292              | 114,160               | 101,786             |
| Consumer                                                       | 775,890             | 749,250             | 778,764              | 782,531               | 756,157             |
| Deposit account overdrafts                                     | 1,067               | 1,306               | 986                  | 857                   | 830                 |
| <b>Total originated loans and leases</b>                       | <b>\$ 4,638,587</b> | <b>\$ 4,445,658</b> | <b>\$ 4,334,067</b>  | <b>\$ 4,158,836</b>   | <b>\$ 3,942,091</b> |
| <b>Acquired loans and leases (a):</b>                          |                     |                     |                      |                       |                     |
| Construction                                                   | \$ 49,361           | \$ 52,478           | \$ 84,684            | \$ 84,359             | \$ 121,690          |
| Commercial real estate, other                                  | 955,910             | 980,203             | 987,753              | 1,028,920             | 1,036,041           |
| Commercial real estate                                         | 1,005,271           | 1,032,681           | 1,072,437            | 1,113,279             | 1,157,731           |
| Commercial and industrial                                      | 225,310             | 242,424             | 246,327              | 268,402               | 286,924             |
| Leases                                                         | 40,491              | 49,068              | 56,843               | 74,270                | 89,843              |
| Residential real estate                                        | 348,051             | 361,370             | 372,525              | 386,048               | 394,775             |
| Home equity lines of credit                                    | 54,842              | 57,060              | 60,520               | 63,153                | 66,999              |
| Consumer, direct                                               | 12,819              | 14,566              | 16,477               | 20,402                | 36,233              |
| <b>Total acquired loans and leases</b>                         | <b>\$ 1,686,784</b> | <b>\$ 1,757,169</b> | <b>\$ 1,825,129</b>  | <b>\$ 1,925,554</b>   | <b>\$ 2,032,505</b> |
| <b>Total loans and leases</b>                                  | <b>\$ 6,325,371</b> | <b>\$ 6,202,827</b> | <b>\$ 6,159,196</b>  | <b>\$ 6,084,390</b>   | <b>\$ 5,974,596</b> |
| <b>Percent of loans and leases to total loans and leases:</b>  |                     |                     |                      |                       |                     |
| Construction                                                   | 5.4 %               | 5.1 %               | 5.9 %                | 6.1 %                 | 7.0 %               |
| Commercial real estate, other                                  | 34.7 %              | 36.2 %              | 35.7 %               | 36.0 %                | 34.8 %              |
| Commercial real estate                                         | 40.1 %              | 41.3 %              | 41.6 %               | 42.1 %                | 41.8 %              |
| Commercial and industrial                                      | 19.9 %              | 19.6 %              | 19.2 %               | 18.6 %                | 19.4 %              |
| Premium finance                                                | 4.6 %               | 3.8 %               | 3.3 %                | 3.1 %                 | 2.7 %               |
| Leases                                                         | 6.8 %               | 6.8 %               | 6.7 %                | 6.6 %                 | 6.3 %               |
| Residential real estate                                        | 12.5 %              | 12.6 %              | 12.9 %               | 13.0 %                | 13.2 %              |
| Home equity lines of credit                                    | 3.6 %               | 3.6 %               | 3.4 %                | 3.4 %                 | 3.3 %               |
| Consumer, indirect                                             | 10.7 %              | 10.5 %              | 10.8 %               | 11.0 %                | 11.0 %              |
| Consumer, direct                                               | 1.8 %               | 1.8 %               | 2.1 %                | 2.2 %                 | 2.3 %               |
| Consumer                                                       | 12.5 %              | 12.3 %              | 12.9 %               | 13.2 %                | 13.3 %              |
| <b>Total percentage</b>                                        | <b>100.0 %</b>      | <b>100.0 %</b>      | <b>100.0 %</b>       | <b>100.0 %</b>        | <b>100.0 %</b>      |
| <b>Residential real estate loans being serviced for others</b> |                     |                     |                      |                       |                     |
|                                                                | \$ 341,298          | \$ 348,937          | \$ 356,784           | \$ 366,996            | \$ 375,882          |

(a) Includes all loans acquired, and related loan discount recorded as part of acquisition accounting, in 2012 or thereafter. Loans that were acquired and subsequently re-underwritten are reported as originated upon execution of such credit actions (for example, renewals and increases in lines of credit).

The period-end total loan and lease balances at June 30, 2024 increased \$122.5 million, or 8% annualized, compared to at March 31, 2024. The increase in the period-end loan and lease balance at June 30, 2024 compared to March 31, 2024 was primarily driven by increases of (i) \$54.4 million in premium finance loans, (ii) \$43.4 million in commercial and industrial loans, (iii) \$25.9 million in construction loans, (iv) and \$24.8 million in indirect consumer loans. These were partially offset by a decrease of \$47.8 million in other commercial real estate loans. The increase in the period-end loan and lease balances at June 30, 2024 compared to at June 30, 2023 was primarily driven by loan growth.

## Loan Concentration

Peoples categorizes its commercial loans according to standard industry classifications and monitors for concentrations in a single industry or multiple industries that could be impacted by changes in economic conditions in a similar manner. Peoples' commercial lending activities continue to be spread over a diverse range of businesses from all sectors of the economy, with no single industry comprising over 10% of Peoples' total loan portfolio.

Loans secured by commercial real estate, including commercial construction loans, continued to comprise the largest portion of Peoples' loan portfolio. The following tables provide information regarding the largest concentrations of commercial construction loans and other commercial real estate loans within the loan portfolio at June 30, 2024:

| <i>(Dollars in thousands)</i>                | <b>Outstanding<br/>Balance</b> | <b>Loan<br/>Commitments</b> | <b>Total Exposure</b> | <b>% of Total</b> |          |
|----------------------------------------------|--------------------------------|-----------------------------|-----------------------|-------------------|----------|
| <b>Construction:</b>                         |                                |                             |                       |                   |          |
| Apartment complexes                          | \$ 226,170                     | \$ 249,829                  | \$ 475,999            | 68.3              | %        |
| Residential property                         | 23,670                         | 28,738                      | 52,408                | 7.5               | %        |
| Land development                             | 30,933                         | 11,572                      | 42,505                | 6.1               | %        |
| Land only                                    | 23,980                         | 12,612                      | 36,592                | 5.3               | %        |
| Assisted living facilities and nursing homes | 3,269                          | 17,812                      | 21,081                | 3.0               | %        |
| Lodging and lodging related                  | —                              | 16,270                      | 16,270                | 2.3               | %        |
| Student housing                              | 12,597                         | 2,403                       | 15,000                | 2.2               | %        |
| Other (a)                                    | 19,982                         | 17,143                      | 37,125                | 5.3               | %        |
| <b>Total construction</b>                    | <b>\$ 340,601</b>              | <b>\$ 356,379</b>           | <b>\$ 696,980</b>     | <b>100.0</b>      | <b>%</b> |

(a) All other total exposures by industry are less than 2% of the Total Exposure.

| <i>(Dollars in thousands)</i>                | Outstanding<br>Balance | Loan<br>Commitments | Total Exposure | % of Total |   |
|----------------------------------------------|------------------------|---------------------|----------------|------------|---|
| Commercial real estate, other:               |                        |                     |                |            |   |
| Apartment complexes                          | \$ 319,373             | \$ 1,854            | \$ 321,227     | 14.2       | % |
| Retail facilities:                           |                        |                     |                |            |   |
| Owner occupied                               | \$ 50,296              | \$ 1,644            | \$ 51,940      | 2.3        | % |
| Non-owner occupied                           | 237,202                | 803                 | 238,005        | 10.5       | % |
| Total retail facilities                      | \$ 287,498             | \$ 2,447            | \$ 289,945     | 12.8       | % |
| Light industrial facilities:                 |                        |                     |                |            |   |
| Owner occupied                               | \$ 143,432             | \$ 6,539            | \$ 149,971     | 6.6        | % |
| Non-owner occupied                           | 100,506                | 4,107               | 104,613        | 4.6        | % |
| Total light industrial facilities            | \$ 243,938             | \$ 10,646           | \$ 254,584     | 11.2       | % |
| Office buildings and complexes:              |                        |                     |                |            |   |
| Owner occupied                               | \$ 82,169              | \$ 2,905            | \$ 85,074      | 3.8        | % |
| Non-owner occupied                           | 124,533                | 7,746               | 132,279        | 5.8        | % |
| Total office buildings and complexes         | \$ 206,702             | \$ 10,651           | \$ 217,353     | 9.6        | % |
| Lodging and lodging related:                 |                        |                     |                |            |   |
| Owner occupied                               | \$ 30,028              | \$ —                | \$ 30,028      | 1.3        | % |
| Non-owner occupied                           | 123,999                | 1                   | 124,000        | 5.5        | % |
| Total lodging and lodging related            | \$ 154,027             | \$ 1                | \$ 154,028     | 6.8        | % |
| Assisted living facilities and nursing homes | \$ 139,949             | \$ 1,381            | \$ 141,330     | 6.2        | % |
| Warehouse facilities:                        |                        |                     |                |            |   |
| Owner occupied                               | \$ 40,823              | \$ 617              | \$ 41,440      | 1.8        | % |
| Non-owner occupied                           | 37,340                 | 121                 | 37,461         | 1.7        | % |
| Total warehouse facilities                   | \$ 78,163              | \$ 738              | \$ 78,901      | 3.5        | % |
| Restaurant/bar facilities:                   |                        |                     |                |            |   |
| Owner occupied                               | \$ 40,611              | \$ 247              | \$ 40,858      | 1.8        | % |
| Non-owner occupied                           | 35,212                 | —                   | 35,212         | 1.6        | % |
| Total restaurant/bar facilities              | \$ 75,823              | \$ 247              | \$ 76,070      | 3.4        | % |
| Mixed-use facilities:                        |                        |                     |                |            |   |
| Owner occupied                               | \$ 37,535              | \$ 1,164            | \$ 38,699      | 1.7        | % |
| Non-owner occupied                           | 28,071                 | 1,652               | 29,723         | 1.3        | % |
| Total mixed-use facilities                   | \$ 65,606              | \$ 2,816            | \$ 68,422      | 3.0        | % |
| Education services:                          |                        |                     |                |            |   |
| Owner occupied                               | \$ 15,390              | \$ —                | \$ 15,390      | 0.7        | % |
| Non-owner occupied                           | 29,512                 | 4,000               | 33,512         | 1.5        | % |
| Total education services                     | \$ 44,902              | \$ 4,000            | \$ 48,902      | 2.2        | % |
| Other (a)                                    | 579,998                | 33,939              | 613,937        | 27.1       | % |
| Total commercial real estate, other          | \$ 2,195,979           | \$ 68,720           | \$ 2,264,699   | 100.0      | % |

(a) All other total exposures by industry are less than 2% of the Total Exposure.

Peoples' commercial lending activities continue to focus on lending opportunities within Ohio, Kentucky, West Virginia, Virginia, Washington, D.C. and Maryland. For all other states, the aggregate outstanding balances of commercial loans in each state were less than 3% of total loans at June 30, 2024 and December 31, 2023. The repayment of premium finance loans is secured by the underlying insurance policy prepaid premium, and therefore, has no geographical impact from a repayment perspective. The repayment of leases is secured by the underlying equipment collateral and not real estate, which mitigates geographic risk.

## Allowance for Credit Losses

The amount of the allowance for credit losses at the end of each period represents management's estimate of expected losses from existing loans based upon its quarterly analysis of the loan portfolio. While this process involves allocations being made to specific loans and pools of loans, the entire allowance is available for all losses expected within the loan portfolio.

The following details management's allocation of the allowance for credit losses:

| <i>(Dollars in thousands)</i>      | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 |
|------------------------------------|------------------|-------------------|----------------------|-----------------------|------------------|
| Construction                       | \$ 673           | \$ 701            | \$ 699               | \$ 1,241              | \$ 1,496         |
| Commercial real estate, other      | 19,852           | 21,788            | 20,915               | 21,257                | 19,731           |
| Commercial and industrial          | 10,943           | 10,581            | 10,490               | 10,205                | 11,028           |
| Premium finance                    | 763              | 607               | 484                  | 476                   | 431              |
| Leases                             | 15,218           | 12,889            | 10,850               | 11,692                | 10,377           |
| Residential real estate            | 5,939            | 5,866             | 5,937                | 6,251                 | 6,112            |
| Home equity lines of credit        | 1,737            | 1,689             | 1,588                | 1,640                 | 1,676            |
| Consumer, indirect                 | 8,654            | 8,301             | 8,590                | 7,516                 | 7,610            |
| Consumer, direct                   | 2,332            | 2,279             | 2,343                | 2,519                 | 2,642            |
| Deposit account overdrafts         | 136              | 121               | 115                  | 127                   | 108              |
| <b>Allowance for credit losses</b> | <b>\$ 66,247</b> | <b>\$ 64,822</b>  | <b>\$ 62,011</b>     | <b>\$ 62,924</b>      | <b>\$ 61,211</b> |
| As a percent of total loans        | 1.05 %           | 1.05 %            | 1.01 %               | 1.03 %                | 1.02 %           |

The increase in the allowance for credit losses at June 30, 2024 compared to March 31, 2024 was primarily due to an increase of reserves on individually analyzed loans and leases. The increase in the allowance balance at June 30, 2024 when compared to June 30, 2023 was driven by loan growth and a deterioration in macro-economic conditions used within the CECL model, partially offset by a release of reserves on individually analyzed loans and leases.

Additional information regarding Peoples' allowance for credit losses can be found in "Note 1 Summary of Significant Accounting Policies" in Peoples' 2023 Form 10-K and "Note 4 Loans and Leases" of the Notes to the Unaudited Condensed Consolidated Financial Statements in this Form 10-Q.

The following table summarizes Peoples' net charge-offs and recoveries:

|                                | Three Months Ended |                   |                      |                       |                  |
|--------------------------------|--------------------|-------------------|----------------------|-----------------------|------------------|
| <i>(Dollars in thousands)</i>  | June 30,<br>2024   | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 |
| <b>Gross charge-offs:</b>      |                    |                   |                      |                       |                  |
| Construction                   | \$ —               | \$ —              | \$ —                 | \$ —                  | \$ —             |
| Commercial real estate, other  | —                  | 212               | 296                  | 278                   | 7                |
| Commercial and industrial      | 56                 | 235               | 640                  | 199                   | 11               |
| Premium finance                | 55                 | 54                | 43                   | 33                    | 23               |
| Leases                         | 2,377              | 1,270             | 2,019                | 905                   | 604              |
| Residential real estate        | 64                 | 80                | 20                   | 50                    | 59               |
| Home equity lines of credit    | 9                  | —                 | 4                    | 32                    | 55               |
| Consumer, indirect             | 1,567              | 1,461             | 1,234                | 926                   | 941              |
| Consumer, direct               | 141                | 226               | 142                  | 92                    | 78               |
| Consumer                       | 1,708              | 1,687             | 1,376                | 1,018                 | 1,019            |
| Deposit account overdrafts     | 338                | 336               | 352                  | 319                   | 263              |
| <b>Total gross charge-offs</b> | <b>\$ 4,607</b>    | <b>\$ 3,874</b>   | <b>\$ 4,750</b>      | <b>\$ 2,834</b>       | <b>\$ 2,041</b>  |
| <b>Recoveries:</b>             |                    |                   |                      |                       |                  |
| Commercial real estate, other  | \$ (80)            | \$ 83             | \$ 825               | \$ 97                 | \$ 16            |
| Commercial and industrial      | 10                 | 7                 | 98                   | 3                     | 451              |
| Premium finance                | 4                  | 8                 | —                    | 12                    | 3                |
| Leases                         | 173                | 212               | 25                   | 168                   | 89               |
| Residential real estate        | 68                 | 83                | 67                   | 27                    | 69               |
| Home equity lines of credit    | —                  | 7                 | 1                    | —                     | —                |
| Consumer, indirect             | 117                | 71                | 130                  | 149                   | 129              |
| Consumer, direct               | 15                 | 9                 | 12                   | 11                    | 35               |
| Consumer                       | 132                | 80                | 142                  | 160                   | 164              |

| (Dollars in thousands)                                                            | Three Months Ended |                   |                      |                       |                  |
|-----------------------------------------------------------------------------------|--------------------|-------------------|----------------------|-----------------------|------------------|
|                                                                                   | June 30,<br>2024   | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 |
| Deposit account overdrafts                                                        | 67                 | 74                | 103                  | 49                    | 53               |
| Total recoveries                                                                  | \$ 374             | \$ 554            | \$ 1,261             | \$ 516                | \$ 845           |
| <b>Net charge-offs (recoveries):</b>                                              |                    |                   |                      |                       |                  |
| Construction                                                                      | \$ —               | \$ —              | \$ —                 | \$ —                  | \$ —             |
| Commercial real estate, other                                                     | 80                 | 129               | (529)                | 181                   | (9)              |
| Commercial and industrial                                                         | 46                 | 228               | 542                  | 196                   | (440)            |
| Premium finance                                                                   | 51                 | 46                | 43                   | 21                    | 20               |
| Leases                                                                            | 2,204              | 1,058             | 1,994                | 737                   | 515              |
| Residential real estate                                                           | (4)                | (3)               | (47)                 | 23                    | (10)             |
| Home equity lines of credit                                                       | 9                  | (7)               | 3                    | 32                    | 55               |
| Consumer, indirect                                                                | 1,450              | 1,390             | 1,104                | 777                   | 812              |
| Consumer, direct                                                                  | 126                | 217               | 130                  | 81                    | 43               |
| Consumer                                                                          | 1,576              | 1,607             | 1,234                | 858                   | 855              |
| Deposit account overdrafts                                                        | 271                | 262               | 249                  | 270                   | 210              |
| <b>Total net charge-offs</b>                                                      | \$ 4,233           | \$ 3,320          | \$ 3,489             | \$ 2,318              | \$ 1,196         |
| <b>Ratio of net charge-offs (recoveries) to average total loans (annualized):</b> |                    |                   |                      |                       |                  |
| Construction                                                                      | — %                | — %               | — %                  | — %                   | — %              |
| Commercial real estate, other                                                     | 0.01 %             | 0.01 %            | (0.03) %             | 0.01 %                | — %              |
| Commercial and industrial                                                         | — %                | 0.02 %            | 0.03 %               | 0.01 %                | (0.03) %         |
| Premium finance                                                                   | — %                | — %               | — %                  | — %                   | — %              |
| Leases                                                                            | 0.14 %             | 0.07 %            | 0.13 %               | 0.05 %                | 0.04 %           |
| Residential real estate                                                           | — %                | — %               | — %                  | — %                   | — %              |
| Home equity lines of credit                                                       | — %                | — %               | — %                  | — %                   | — %              |
| Consumer, indirect                                                                | 0.09 %             | 0.09 %            | 0.07 %               | 0.05 %                | 0.06 %           |
| Consumer, direct                                                                  | 0.01 %             | 0.01 %            | 0.01 %               | 0.01 %                | — %              |
| Consumer                                                                          | 0.10 %             | 0.10 %            | 0.08 %               | 0.06 %                | 0.06 %           |
| Deposit account overdrafts                                                        | 0.02 %             | 0.02 %            | 0.02 %               | 0.02 %                | 0.02 %           |
| <b>Total</b>                                                                      | <b>0.27 %</b>      | <b>0.22 %</b>     | <b>0.23 %</b>        | <b>0.15 %</b>         | <b>0.09 %</b>    |

Each with "—" not meaningful.

Total net charge-offs during the second quarter of 2024 were \$4.2 million, or 0.27% of average total loans on an annualized basis, compared to \$3.3 million, or 0.22% of average total loans on an annualized basis, during the linked quarter and \$1.2 million, or 0.09% of average total loans on an annualized basis, during the second quarter of 2023. The increase for the second quarter of 2024 when compared to the linked quarter was driven by an increase in net charge-offs on leases originated by our North Star Leasing business. The increase in net charge-offs during the second quarter of 2024 versus the prior year second quarter was primarily attributable to an increase in charge-offs on (i) leases originated by our North Star Leasing business, (ii) indirect consumer loans, and (iii) commercial and industrial loans.

The following table details Peoples' nonperforming assets:

| <i>(Dollars in thousands)</i>                                | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 |
|--------------------------------------------------------------|------------------|-------------------|----------------------|-----------------------|------------------|
| <b>Loans 90+ days past due and accruing:</b>                 |                  |                   |                      |                       |                  |
| Commercial real estate, other                                | \$ 106           | \$ 231            | \$ 78                | \$ 487                | \$ 15            |
| Commercial and industrial                                    | 208              | 10                | 316                  | 67                    | —                |
| Premium finance                                              | 2,546            | 2,208             | 1,355                | 1,581                 | 987              |
| Leases                                                       | 3,193            | 4,070             | 3,826                | 6,007                 | 3,847            |
| Residential real estate                                      | 1,209            | 780               | 877                  | 736                   | 856              |
| Home equity lines of credit                                  | 230              | 181               | 171                  | 177                   | 148              |
| Consumer, indirect                                           | 67               | 134               | 68                   | 47                    | 40               |
| Consumer, direct                                             | 33               | 48                | 25                   | 15                    | 31               |
| Consumer                                                     | 100              | 182               | 93                   | 62                    | 71               |
| Total loans 90+ days past due and accruing                   | \$ 7,592         | \$ 7,662          | \$ 6,716             | \$ 9,117              | \$ 5,924         |
| <b>Nonaccrual loans:</b>                                     |                  |                   |                      |                       |                  |
| Commercial real estate, other                                | 4,833            | 3,773             | 2,816                | 3,661                 | 8,987            |
| Commercial and industrial                                    | 6,030            | 6,205             | 2,758                | 3,116                 | 3,438            |
| Leases                                                       | 11,849           | 10,136            | 8,436                | 7,929                 | 4,800            |
| Residential real estate                                      | 7,078            | 7,450             | 7,921                | 8,454                 | 8,393            |
| Home equity lines of credit                                  | 1,454            | 1,134             | 1,022                | 1,026                 | 841              |
| Consumer, indirect                                           | 2,261            | 2,506             | 2,412                | 1,904                 | 1,982            |
| Consumer, direct                                             | 164              | 157               | 112                  | 97                    | 355              |
| Consumer                                                     | 2,425            | 2,663             | 2,524                | 2,001                 | 2,337            |
| Total nonaccrual loans                                       | \$ 33,669        | \$ 31,361         | \$ 25,477            | \$ 26,187             | \$ 28,796        |
| Total nonperforming loans ("NPLs")                           | \$ 41,261        | \$ 39,023         | \$ 32,193            | \$ 35,304             | \$ 34,720        |
| <b>OREO:</b>                                                 |                  |                   |                      |                       |                  |
| Commercial                                                   | \$ 7,118         | \$ 7,118          | \$ 7,118             | \$ 7,118              | \$ 7,118         |
| Residential                                                  | 291              | 120               | 56                   | 56                    | 48               |
| Total OREO                                                   | \$ 7,409         | \$ 7,238          | \$ 7,174             | \$ 7,174              | \$ 7,166         |
| <b>Total nonperforming assets ("NPAs")</b>                   | <b>\$ 48,670</b> | <b>\$ 46,261</b>  | <b>\$ 39,367</b>     | <b>\$ 42,478</b>      | <b>\$ 41,886</b> |
| Criticized loans (a)                                         | \$ 239,943       | \$ 256,565        | \$ 235,239           | \$ 213,156            | \$ 219,885       |
| Classified loans (b)                                         | \$ 120,180       | \$ 147,518        | \$ 120,027           | \$ 124,836            | \$ 110,972       |
| <b>Asset Quality Ratios (c):</b>                             |                  |                   |                      |                       |                  |
| Nonaccrual loans as a percent of total loans                 | 0.53 %           | 0.51 %            | 0.41 %               | 0.43 %                | 0.48             |
| NPLs as a percent of total loans (d)                         | 0.65 %           | 0.63 %            | 0.52 %               | 0.58 %                | 0.58             |
| NPAs as a percent of total assets (d)                        | 0.53 %           | 0.50 %            | 0.43 %               | 0.48 %                | 0.48             |
| NPAs as a percent of total loans and OREO (d)                | 0.77 %           | 0.74 %            | 0.64 %               | 0.70 %                | 0.70             |
| Allowance for credit losses as a percent of nonaccrual loans | 196.76 %         | 206.70 %          | 245.79 %             | 240.29 %              | 212.57           |
| Allowance for credit losses as a percent of NPLs (d)         | 160.56 %         | 166.11 %          | 194.38 %             | 178.23 %              | 176.30           |
| Criticized loans as a percent of total loans (a)             | 3.79 %           | 4.14 %            | 3.82 %               | 3.50 %                | 3.68             |
| Classified loans as a percent of total loans (b)             | 1.90 %           | 2.38 %            | 1.95 %               | 2.05 %                | 1.86             |

(a) Includes loans categorized as special mention, substandard or doubtful.

(b) Includes loans categorized as substandard or doubtful.

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

(d) NPLs include loans 90+ days past due and accruing and nonaccrual loans. NPAs include nonperforming loans and OREO.



Compared to at March 31, 2024, Peoples' NPAs increased from 0.50% of total assets to 0.53% at June 30, 2024. Total loans 90+ days past due and accruing decreased at June 30, 2024 compared to at March 31, 2024, mostly due to decreases in nonperforming leases. Total nonaccrual loans increased at June 30, 2024 compared to at March 31, 2024, mostly due to increases in nonaccrual leases and other commercial real estate. During the second quarter of 2024, criticized loans decreased \$16.6 million, while classified loans decreased \$27.3 million when compared to at March 31, 2024. The decrease in the amounts of criticized loans compared to at March 31, 2024 was primarily driven by loan upgrades and several large criticized loan pay-offs. The decrease in the amount of classified loans compared to at March 31, 2024 was primarily by loan upgrades and classified loan pay-offs. The increase in NPAs compared to at December 31, 2023, was primarily driven by increases of nonaccrual leases originated by our North Star Leasing business, commercial and industrial loans, and other commercial real estate loans. The increase in NPAs compared to at June 30, 2023, was impacted by the increase of nonaccrual leases originated by our North Star Leasing business and an increase in loans past due and accruing.

## Deposits

The following table details Peoples' deposit balances:

| (Dollars in thousands)                         | June 30,<br>2024    | March 31,<br>2024   | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023    |
|------------------------------------------------|---------------------|---------------------|----------------------|-----------------------|---------------------|
| Non-interest-bearing deposits                  | \$ 1,472,697        | \$ 1,468,363        | \$ 1,567,649         | \$ 1,569,095          | \$ 1,682,634        |
| (a)                                            |                     |                     |                      |                       |                     |
| Interest-bearing deposits:                     |                     |                     |                      |                       |                     |
| Interest-bearing demand accounts (a)           | 1,083,512           | 1,107,712           | 1,144,357            | 1,181,079             | 1,225,646           |
| Savings accounts                               | 880,542             | 901,493             | 919,244              | 987,170               | 1,116,622           |
| Retail CDs                                     | 1,812,874           | 1,680,413           | 1,443,417            | 1,198,733             | 950,783             |
| Money market deposit accounts                  | 869,159             | 859,961             | 775,488              | 730,902               | 718,633             |
| Governmental deposit accounts                  | 766,337             | 825,170             | 726,713              | 761,625               | 705,596             |
| Brokered CDs                                   | 412,653             | 483,444             | 575,429              | 608,914               | 559,955             |
| Total interest-bearing deposits                | 5,825,077           | 5,858,193           | 5,584,648            | 5,468,423             | 5,277,235           |
| <b>Total deposits</b>                          | <b>\$ 7,297,774</b> | <b>\$ 7,326,556</b> | <b>\$ 7,152,297</b>  | <b>\$ 7,037,518</b>   | <b>\$ 6,959,869</b> |
| Demand deposits as a percent of total deposits | 35 %                | 35 %                | 38 %                 | 39 %                  | 42 %                |

(a) The sum of amounts presented is considered total demand deposits.

At June 30, 2024, period-end total deposits decreased \$28.8 million compared to at March 31, 2024, primarily driven by decreases of (i) \$70.8 million in brokered CDs, (ii) \$58.8 million in governmental deposits, and (iii) \$24.2 million in interest-bearing demand deposit accounts, partially offset by an increase of \$132.5 million in retail CDs. The increase in retail CDs was due to current specials being offered, while the decrease in governmental deposit accounts was due to the seasonality of those balances, which are typically higher in the first quarter.

At June 30, 2024, period-end total deposits increased \$337.9 million, or 5%, compared to at June 30, 2023. The increase was primarily driven by increases of \$862.1 million in retail CDs, \$150.5 million in money market deposit accounts, and \$60.7 million in governmental deposit accounts, offset by decreases of \$236.1 million, \$209.9 million, \$147.3 million, and \$142.1 million in savings accounts, non-interest bearing deposits, brokered CDs, and interest-bearing demand deposit accounts, respectively. The increase in retail CDs was driven by current promotions being offered.

As part of its funding strategy, Peoples hedges 90-day brokered CDs with interest rate swaps. The interest rate swaps pay a fixed rate of interest while receiving a floating rate component of interest tied to term SOFR, which offsets the rate on the brokered CDs. As of June 30, 2024, Peoples had 9 effective interest rate swaps, with an aggregate notional value of \$85.0 million, which were designated as cash flow hedges of overnight brokered CDs and are expected to be extended every 90 days through the maturity dates of the interest rate swaps. Peoples continually evaluates the overall balance sheet position given the interest rate environment.

## Borrowed Funds

The following table details Peoples' short-term borrowings and long-term borrowings:

| <i>(Dollars in thousands)</i>      | June 30,<br>2024  | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023  |
|------------------------------------|-------------------|-------------------|----------------------|-----------------------|-------------------|
| <b>Short-term borrowings:</b>      |                   |                   |                      |                       |                   |
| FHLB Overnight borrowings          | \$ 295,000        | \$ 260,192        | \$ 369,000           | \$ 484,000            | \$ 444,000        |
| Retail repurchase agreements       | 24,733            | 90,304            | 99,121               | 101,437               | 125,937           |
| Bank Term Funding Program ("BTFP") | 163,000           | 163,000           | 133,000              | —                     | —                 |
| <b>Total short-term borrowings</b> | <b>\$ 482,733</b> | <b>\$ 513,496</b> | <b>\$ 601,121</b>    | <b>\$ 585,437</b>     | <b>\$ 569,937</b> |
| <b>Long-term borrowings:</b>       |                   |                   |                      |                       |                   |
| FHLB advances                      | \$ 132,524        | \$ 132,683        | \$ 112,865           | \$ 83,247             | \$ 33,750         |
| Vantage non-recourse debt          | 47,393            | 49,529            | 49,572               | 41,783                | 41,960            |
| Other long-term borrowings         | 54,340            | 54,071            | 53,804               | 48,282                | 47,860            |
| <b>Total long-term borrowings</b>  | <b>\$ 234,257</b> | <b>\$ 236,283</b> | <b>\$ 216,241</b>    | <b>\$ 173,312</b>     | <b>\$ 123,570</b> |
| <b>Total borrowed funds</b>        | <b>\$ 716,990</b> | <b>\$ 749,779</b> | <b>\$ 817,362</b>    | <b>\$ 758,749</b>     | <b>\$ 693,507</b> |

Total borrowed funds, which include overnight borrowings, are mainly a function of loan growth and changes in total deposit balances. Other long-term borrowings include trust preferred securities held for investments and floating rate junior subordinated deferrable interest debentures. Total borrowed funds at June 30, 2024 decreased compared to at March 31, 2024, primarily due to lower retail repurchase agreements. Total long-term borrowings at June 30, 2024 increased when compared to at June 30, 2023 due to an increase in FHLB long term advances.

## Capital/Stockholders' Equity

At June 30, 2024, capital levels for both Peoples and Peoples Bank remained substantially higher than the minimum amounts needed to be considered "well capitalized" institutions under applicable banking regulations. These higher capital levels reflect Peoples' desire to maintain a strong capital position. In order to avoid limitations on dividends, equity repurchases and compensation, Peoples must exceed the three minimum required ratios by at least the capital conservation buffer of 2.50%, which applies to the common equity tier 1 ("CET1") ratio, the tier 1 capital ratio and the total risk-based capital ratio. At June 30, 2024, Peoples had a capital conservation buffer of 5.66%.

The following table details Peoples' risk-based capital levels and corresponding ratios:

| <i>(Dollars in thousands)</i> | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 |
|-------------------------------|------------------|-------------------|----------------------|-----------------------|------------------|
| <b>Capital Amounts:</b>       |                  |                   |                      |                       |                  |
| Common Equity Tier 1          | \$ 799,710       | \$ 780,017        | \$ 766,691           | \$ 752,728            | \$ 728,892       |
| Tier 1                        | 854,050          | 834,089           | 820,495              | 801,010               | 776,753          |
| Total (Tier 1 and Tier 2)     | 916,073          | 894,662           | 873,225              | 855,054               | 828,910          |
| Net risk-weighted assets      | \$ 6,802,528     | \$ 6,674,114      | \$ 6,524,577         | \$ 6,505,779          | \$ 6,417,511     |
| <b>Capital Ratios:</b>        |                  |                   |                      |                       |                  |
| Common Equity Tier 1          | 11.76 %          | 11.69 %           | 11.75 %              | 11.57 %               | 11.36 %          |
| Tier 1                        | 12.55 %          | 12.50 %           | 12.58 %              | 12.31 %               | 12.10 %          |
| Total (Tier 1 and Tier 2)     | 13.47 %          | 13.40 %           | 13.38 %              | 13.14 %               | 12.92 %          |
| Tier 1 leverage ratio         | 9.65 %           | 9.43 %            | 9.57 %               | 9.34 %                | 9.64 %           |

Peoples' risk-based capital ratios at June 30, 2024 increased when compared to March 31, 2024, due to net income during the quarter, partially offset by dividends paid. Compared to at June 30, 2023, the tier 1 risk-based capital and the total risk-based capital ratios improved due to higher net income, partially offset by the impact of the Limestone Merger and dividends paid. The common equity tier 1 risk-based capital ratio at June 30, 2024 also increased compared to at June 30, 2023 due to higher net income.

In addition to traditional capital measurements, management uses tangible capital measures to evaluate the adequacy of Peoples' stockholders' equity. Such ratios represent Non-US GAAP financial measures since their calculation removes the impact of goodwill and other intangible assets acquired through acquisitions on amounts reported in the Unaudited Consolidated Balance Sheets. Management believes this information is useful to investors since it facilitates the comparison of Peoples' operating performance, financial condition and trends to peers, especially those without a similar level of intangible assets to that of Peoples. Further, intangible assets generally are difficult to convert into cash, especially during a financial crisis, and could decrease substantially in

value should there be deterioration in the overall franchise value. As a result, tangible equity represents a conservative measure of the capacity for Peoples to incur losses but remain solvent.

The following table reconciles the calculation of these Non-US GAAP financial measures to amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements:

| <i>(Dollars in thousands)</i>                    | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2023</b> | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|--------------------------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|--------------------------|
| <b>Tangible equity:</b>                          |                          |                           |                              |                               |                          |
| Total stockholders' equity                       | \$ 1,077,833             | \$ 1,062,002              | \$ 1,053,534                 | \$ 993,219                    | \$ 998,907               |
| Less: goodwill and other intangible assets       | 406,417                  | 409,285                   | 412,172                      | 408,494                       | 413,172                  |
| Tangible equity                                  | \$ 671,416               | \$ 652,717                | \$ 641,362                   | \$ 584,725                    | \$ 585,735               |
| <b>Tangible assets:</b>                          |                          |                           |                              |                               |                          |
| Total assets                                     | \$ 9,226,461             | \$ 9,270,774              | \$ 9,157,382                 | \$ 8,942,534                  | \$ 8,786,635             |
| Less: goodwill and other intangible assets       | 406,417                  | 409,285                   | 412,172                      | 408,494                       | 413,172                  |
| Tangible assets                                  | \$ 8,820,044             | \$ 8,861,489              | \$ 8,745,210                 | \$ 8,534,040                  | \$ 8,373,463             |
| <b>Tangible book value per common share:</b>     |                          |                           |                              |                               |                          |
| Tangible equity                                  | \$ 671,416               | \$ 652,717                | \$ 641,362                   | \$ 584,725                    | \$ 585,735               |
| Common shares outstanding                        | 35,498,977               | 35,486,234                | 35,314,745                   | 35,395,990                    | 35,374,916               |
| Tangible book value per common share             | \$ 18.91                 | \$ 18.39                  | \$ 18.16                     | \$ 16.52                      | \$ 16.56                 |
| <b>Tangible equity to tangible assets ratio:</b> |                          |                           |                              |                               |                          |
| Tangible equity                                  | \$ 671,416               | \$ 652,717                | \$ 641,362                   | \$ 584,725                    | \$ 585,735               |
| Tangible assets                                  | \$ 8,820,044             | \$ 8,861,489              | \$ 8,745,210                 | \$ 8,534,040                  | \$ 8,373,463             |
| Tangible equity to tangible assets               | 7.61 %                   | 7.37 %                    | 7.33 %                       | 6.85 %                        | 7.00 %                   |

Tangible book value per common share increased to \$18.91 at June 30, 2024 compared to \$18.39 at March 31, 2024. The change in tangible book value per common share was due to tangible equity increasing during the second quarter of 2024 primarily due to net income over the last three months. Tangible book value per common share at June 30, 2024 increased compared to at June 30, 2023 primarily due to net income over the last twelve months.

#### Interest Rate Sensitivity and Liquidity

While Peoples is exposed to various business risks, the risks relating to interest rate sensitivity and liquidity are major risks that can materially impact future results of operations and financial condition due to their complexity and dynamic nature. The objective of Peoples' asset-liability management function is to measure and manage these risks in order to optimize net interest income within the constraints of prudent capital adequacy, liquidity and safety. This objective requires Peoples to focus on interest rate risk exposure and adequate liquidity through its management of the mix of assets and liabilities, their related cash flows and the rates earned and paid on those assets and liabilities. Ultimately, the asset-liability management function is intended to guide management in the acquisition and disposition of earning assets and selection of appropriate funding sources.

#### Interest Rate Risk

Interest rate risk ("IRR") is one of the most significant risks arising in the normal course of business of financial services companies like Peoples. IRR is the potential for economic loss due to future interest rate changes that can impact the earnings stream, as well as market values, of financial assets and financial liabilities. Peoples' exposure to IRR is due primarily to differences in the maturity or repricing of earning assets and interest-bearing liabilities. In addition, other factors, such as prepayments of loans and investment securities, or early withdrawal of deposits, can affect Peoples' exposure to IRR and impact interest costs or revenue streams.

Peoples has assigned overall management of IRR to its Asset-Liability Committee (the "ALCO"), which has established an IRR management policy that sets minimum requirements and guidelines for monitoring and managing the level of IRR, including the review of assumptions used in modeling IRR.

The following table shows the estimated changes in net interest income and the economic value of equity based upon a standard, parallel shock analysis with balances held constant (dollars in thousands):

| Increase<br>(Decrease) in<br>Interest Rate<br>(in Basis<br>Points) | Estimated Increase (Decrease) in<br>Net Interest Income |          |       |   |                   |          |       |   | Estimated (Decrease) Increase in Economic Value of Equity |           |       |   |                   |           |       |   |
|--------------------------------------------------------------------|---------------------------------------------------------|----------|-------|---|-------------------|----------|-------|---|-----------------------------------------------------------|-----------|-------|---|-------------------|-----------|-------|---|
|                                                                    | June 30, 2024                                           |          |       |   | December 31, 2023 |          |       |   | June 30, 2024                                             |           |       |   | December 31, 2023 |           |       |   |
|                                                                    |                                                         |          |       |   |                   |          |       |   |                                                           |           |       |   |                   |           |       |   |
| 300                                                                | \$                                                      | 5,530    | 1.6   | % | \$                | 15,063   | 4.6   | % | \$                                                        | (154,437) | (9.0) | % | \$                | (157,625) | (9.4) | % |
| 200                                                                |                                                         | 3,884    | 1.1   | % |                   | 10,282   | 3.1   | % |                                                           | (101,233) | (5.9) | % |                   | (107,620) | (6.4) | % |
| 100                                                                |                                                         | 2,147    | 0.6   | % |                   | 5,468    | 1.7   | % |                                                           | (47,291)  | (2.7) | % |                   | (53,585)  | (3.2) | % |
| (100)                                                              |                                                         | (6,639)  | (1.9) | % |                   | (7,427)  | (2.3) | % |                                                           | 23,298    | 1.4   | % |                   | 31,722    | 1.9   | % |
| (200)                                                              |                                                         | (14,963) | (4.4) | % |                   | (15,446) | (4.7) | % |                                                           | 23,311    | 1.4   | % |                   | 46,537    | 2.8   | % |
| (300)                                                              |                                                         | (16,646) | (4.9) | % |                   | (16,822) | (5.1) | % |                                                           | 7,287     | 0.4   | % |                   | 47,198    | 2.8   | % |

This table uses a standard, parallel shock analysis for assessing the IRR to net interest income and the economic value of equity. A parallel shock assumes all points on the yield curve (one year, two year, three year, etc.) are directionally changed by the same degree. Management regularly assesses the impact of both increasing and decreasing interest rates. The table above shows the impact of upward and downward parallel shocks of 100, 200 and 300 basis points.

Estimated changes in net interest income and the economic value of equity are partially driven by assumptions regarding the rate at which non-maturity deposits will reprice given a move in short-term interest rates, as well as assumptions regarding prepayment speeds on mortgage-backed securities. These and other modeling assumptions are monitored closely by Peoples on an ongoing basis.

While parallel interest rate shock scenarios are useful in assessing the level of IRR inherent in the balance sheet, interest rates typically move in a nonparallel manner with differences in the timing, direction and magnitude of changes in short-term and long-term interest rates. Thus, any impact that might occur as a result of the Federal Reserve Board increasing short-term interest rates in the future could be offset by an inverse movement in long-term interest rates, and vice versa. For this reason, Peoples considers other interest rate scenarios in addition to analyzing the impact of parallel yield curve shifts. These include various flattening and steepening scenarios in which short-term and long-term interest rates move in different directions with varying magnitude. Peoples believes these scenarios to be more reflective of how interest rates change versus the severe parallel rate shocks described above. Given the shape of market yield curves at June 30, 2024, consideration of the bear steepener and bear flattener scenarios provide insights which were not captured by parallel shifts.

The bear steepener scenario highlights the risk to net interest income and economic value of equity when short-term interest rates remain constant while long-term interest rates rise. In such a scenario, Peoples' deposit and borrowing costs, which are generally correlated with short-term interest rates, remain constant, while asset yields, which are correlated with long-term interest rates, rise. At June 30, 2024, the bear steepener scenario produced an increase in net interest income of 0.8% and an increase in the economic value of equity of 5.6%.

The bear flattener scenario highlights the risk to net interest income and the economic value of equity when short-term rates rise while long-term rates remain constant. In such a scenario, Peoples' variable rate asset yields along with deposit and short-term borrowing costs, which are correlated with short-term rates, increase, while long-term asset yields and long-term borrowing costs, which are more correlated with long-term rates, remain constant. Increased deposit and funding costs would be more than offset by increased variable rate asset yields; resulting in an increased amount of net interest income and a higher net interest margin. At June 30, 2024, the bear flattener scenario produced an increase of 1.0% to net interest income and a decline in the economic value of equity of 1.8%.

Peoples has entered into interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps are designated as cash flow hedges and involve the receipt of variable rate amounts from a counterparty in exchange for Peoples making fixed payments. As of June 30, 2024, Peoples had entered into 9 interest rate swap contracts with an aggregate notional value of \$85.0 million. Additional information regarding Peoples' interest rate swaps can be found in "Note 10 Derivative Financial Instruments" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

At June 30, 2024, Peoples' Unaudited Consolidated Balance Sheet was positioned to benefit from rising interest rates in terms of the potential impact on net interest income. The table above illustrates this point as changes to net interest income increase in the rising interest rate scenarios.

### Liquidity

In addition to IRR management, another major objective of the ALCO is to maintain a sufficient level of liquidity. In light of the bank failures in 2023, Peoples revisited the model assumptions, and determined the methods used by the ALCO to monitor

and evaluate the adequacy of Peoples Bank's liquidity position remain appropriate and are largely unchanged from those disclosed in Peoples' 2023 Form 10-K.

At June 30, 2024, Peoples Bank had liquid assets of \$408.8 million, which represented 4.0% of total assets and unfunded loan commitments. Peoples also had an additional \$156.7 million of unpledged investment securities not included in the measurement of liquid assets.

Management believes the current mix of short-term liquidity sources, loan and security portfolio cash flows, and availability of other funding sources will allow Peoples to meet anticipated cash obligations, as well as special needs and off-balance sheet commitments.

#### Off-Balance Sheet Activities and Contractual Obligations

In the normal course of business, Peoples is a party to financial instruments with off-balance sheet risk necessary to meet the financing needs of Peoples' customers. These financial instruments include commitments to extend credit and standby letters of credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Unaudited Consolidated Balance Sheets. The contract amounts of these instruments express the extent of involvement Peoples has in these financial instruments.

#### Loan Commitments and Standby Letters of Credit

Loan commitments are made to accommodate the financial needs of Peoples' customers. Standby letters of credit are instruments issued by Peoples Bank guaranteeing the beneficiary payment by Peoples Bank in the event of default by Peoples Bank's customer in the performance of an obligation or service. Historically, most loan commitments and standby letters of credit expire unused. Peoples Bank's exposure to credit loss in the event of nonperformance by the counter-party to the financial instrument for loan commitments and standby letters of credit is represented by the contractual amount of those instruments. Peoples Bank uses the same underwriting standards in making commitments and conditional obligations as it does for on-balance sheet instruments. The amount of collateral obtained is based on management's credit evaluation of the customer. Collateral held varies, but may include accounts receivable, inventory, property, plant, and equipment, and income-producing commercial properties.

Peoples Bank routinely engages in activities that involve, to varying degrees, elements of risk that are not reflected in whole or in part in the Unaudited Condensed Consolidated Financial Statements. These activities are part of Peoples Bank's normal course of business and include traditional off-balance sheet credit-related financial instruments, interest rate contracts and commitments to make additional capital contributions in low-income housing tax credit investments. Traditional off-balance sheet credit-related financial instruments continue to represent the most significant off-balance sheet exposure.

The following table details the total contractual amount of loan commitments and standby letters of credit:

| <i>(Dollars in thousands)</i> | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2023</b> | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|-------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|--------------------------|
| Home equity lines of credit   | \$ 247,757               | \$ 246,035                | \$ 244,367                   | \$ 245,764                    | \$ 208,805               |
| Unadvanced construction loans | 371,322                  | 349,850                   | 349,850                      | 351,473                       | 293,662                  |
| Other loan commitments        | 759,121                  | 714,513                   | 769,759                      | 768,788                       | 597,285                  |
| <b>Loan commitments</b>       | <b>\$ 1,378,200</b>      | <b>\$ 1,310,398</b>       | <b>\$ 1,363,976</b>          | <b>\$ 1,366,025</b>           | <b>\$ 1,099,752</b>      |
| Standby letters of credit     | \$ 22,395                | \$ 13,131                 | \$ 14,318                    | \$ 15,452                     | \$ 14,760                |

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this Item 3 is provided under the caption "Interest Rate Sensitivity and Liquidity" under "ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" in this Form 10-Q, and is incorporated herein by reference.

#### ITEM 4. CONTROLS AND PROCEDURES

##### Evaluation of Disclosure Controls and Procedures

Peoples' management, with the participation of Peoples' President and Chief Executive Officer and Peoples' Executive Vice President, Chief Financial Officer and Treasurer, has evaluated the effectiveness of Peoples' disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of June 30, 2024. Based upon that evaluation, Peoples' President and Chief Executive Officer and Peoples' Executive Vice President, Chief Financial Officer and Treasurer have concluded that:

- (a) information required to be disclosed by Peoples in this Quarterly Report on Form 10-Q and other reports Peoples files or submits under the Exchange Act would be accumulated and communicated to Peoples' management, including its President and Chief Executive Officer and its Executive Vice President, Chief Financial Officer and Treasurer, as appropriate to allow timely decisions regarding required disclosure;

- (b) information required to be disclosed by Peoples in this Quarterly Report on Form 10-Q and other reports Peoples files or submits under the Exchange Act would be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and
- (c) Peoples' disclosure controls and procedures were effective as of the end of the fiscal quarter covered by this Quarterly Report on Form 10-Q.

#### Changes in Internal Control Over Financial Reporting

There were no changes in Peoples' internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during Peoples' fiscal quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, Peoples' internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Peoples or one of its subsidiaries from time to time is engaged in various litigation matters including the defense of claims of improper loan or deposit practices or lending violations. In addition, in the ordinary course of their respective businesses or operations, Peoples or one of its subsidiaries may be named as a plaintiff, a defendant, or a party to a legal proceeding or any of their respective properties may be subject to various pending and threatened legal proceedings and various actual and potential claims. In view of the inherent difficulty of predicting the outcome of such matters, Peoples cannot state what the eventual outcome of any such matters will be; however, based on management's current knowledge and after consultation with legal counsel, Peoples' management believes that damages, if any, and other amounts related to pending legal proceedings will not have a material adverse effect on the consolidated financial position, results of operations or liquidity of Peoples.

### ITEM 1A. RISK FACTORS

There have been no material changes from those risk factors previously disclosed under "ITEM 1A. RISK FACTORS" of Part I of Peoples' 2023 Form 10-K. These risk factors are not the only risks Peoples faces. Additional risks and uncertainties not currently known to management or that management currently deems to be immaterial also may materially adversely affect Peoples' business, financial condition and/or operating results.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- (a) Not applicable.
- (b) Not applicable.
- (c) The following table details repurchases by Peoples and purchases by "affiliated purchasers" as defined in Rule 10b-18(a)(3) under the Exchange Act of Peoples' common shares during the three months ended June 30, 2024:

| Period             | Total Number of<br>Common Shares<br>Purchased | Average Price Paid per<br>Common Share | Total Number of<br>Common Shares Purchased<br>as Part of Publicly<br>Announced Plans or<br>Programs <sup>(1)</sup> | Maximum<br>Number (or Approximate Dollar<br>Value) of Common Shares that May<br>Yet Be Purchased Under the Plans<br>or Programs <sup>(1)</sup> |
|--------------------|-----------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| April 1 – 30, 2024 | 3,860 <sup>(2)(3)</sup>                       | \$ 28.34 <sup>(2)(3)</sup>             | —                                                                                                                  | \$ 16,616,711                                                                                                                                  |
| May 1 – 31, 2024   | 1,220 <sup>(2)</sup>                          | \$ 29.89 <sup>(2)</sup>                | —                                                                                                                  | \$ 16,616,711                                                                                                                                  |
| June 1 – 30, 2024  | —                                             | \$ —                                   | —                                                                                                                  | \$ 16,616,711                                                                                                                                  |
| <b>Total</b>       | <b>5,080</b>                                  | <b>\$ 28.71</b>                        | <b>—</b>                                                                                                           | <b>\$ 16,616,711</b>                                                                                                                           |

- (1) On January 29, 2021, Peoples announced that on January 28, 2021, Peoples' Board of Directors authorized a share repurchase program authorizing Peoples to purchase up to an aggregate of \$30 million of Peoples' outstanding common shares. There were no common shares repurchased under the share repurchase program during the second quarter of 2024.
- (2) Information reported includes 1,685 common shares and 1,220 common shares purchased in open market transactions during April 2024 and May 2024, respectively, by Peoples Bank under the Rabbi Trust Agreement. The Rabbi Trust Agreement establishes a rabbi trust that holds assets to provide funds for the payment of the benefits under the Peoples Bancorp Inc. Third Amended and Restated Deferred Compensation Plan for Directors of Peoples Bancorp Inc. and Subsidiaries.
- (3) Information reported includes 2,175 common shares withheld to satisfy income taxes associated with restricted common shares which were granted under the Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan (now known as the Peoples Bancorp Inc. Fourth Amended and Restated 2006 Equity Plan) and vested during April 2024.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

- (a) None.
- (b) Not applicable.
- (c) The following details the activity in respect of the adoption , modification or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K) by any director or any officer (as defined in Rule 16a-1(f) under the Exchange Act) of Peoples during the three months ended June 30, 2024:

|                       |          |        |              | Trading Arrangement |                                   |                   |
|-----------------------|----------|--------|--------------|---------------------|-----------------------------------|-------------------|
|                       |          | Action | Date         | Rule 10b5-1*        | Total Common Shares to<br>be Sold | Expiration Date   |
| Carol A. Schneeberger | Director | Adopt  | May 22, 2024 | X                   | 12,000                            | September 8, 2024 |

\*Intended to satisfy the affirmative defense of Rule 10b5-1(c)

**ITEM 6. EXHIBITS**

| Exhibit Number         | Description                                                                                                                                                                                                                                                                                                                                                                                            | Exhibit Location                                                                                                                                                                                                                                                     |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">2.1</a>    | Agreement and Plan of Merger, dated as of March 26, 2021, by and between Peoples Bancorp Inc. and Premier Financial Bancorp, Inc.*                                                                                                                                                                                                                                                                     | Included as Annex A to the preliminary joint proxy statement/prospectus which forms a part of the Registration Statement of Peoples Bancorp Inc. ("Peoples") on Form S-4/A accepted on May 28, 2021 with a filing date of June 1, 2021 (Registration No. 333-256040) |
| <a href="#">2.2</a>    | Agreement and Plan of Merger, dated as of October 24, 2022, by and between Peoples Bancorp Inc. and Limestone Bancorp, Inc.*                                                                                                                                                                                                                                                                           | Included as Annex A to the preliminary joint proxy statement/prospectus which forms a part of the Registration Statement of Peoples on Form S-4/A filed on January 6, 2023 (Registration No. 333-268728)                                                             |
| 3.1(a)                 | Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on May 3, 1993) <sup>P</sup>                                                                                                                                                                                                                                                                      | Incorporated herein by reference to Exhibit 3(a) to Peoples' Registration Statement on Form 8-B filed on July 20, 1993 (File No. 0-16772)                                                                                                                            |
| <a href="#">3.1(b)</a> | Certificate of Amendment to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on April 22, 1994)                                                                                                                                                                                                                                                | Incorporated herein by reference to Exhibit 3.1(b) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 (File No. 0-16772) ("Peoples' September 30, 2017 Form 10-Q")                                                          |
| <a href="#">3.1(c)</a> | Certificate of Amendment to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on April 9, 1996)                                                                                                                                                                                                                                                 | Incorporated herein by reference to Exhibit 3.1(c) to Peoples' September 30, 2017 Form 10-Q                                                                                                                                                                          |
| <a href="#">3.1(d)</a> | Certificate of Amendment to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on April 23, 2003)                                                                                                                                                                                                                                                | Incorporated herein by reference to Exhibit 3(a) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003 (File No. 0-16772) ("Peoples' March 31, 2003 Form 10-Q")                                                                    |
| <a href="#">3.1(e)</a> | Certificate of Amendment by Shareholders to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on January 22, 2009)                                                                                                                                                                                                                              | Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on January 23, 2009 (File No. 0-16772)                                                                                                                        |
| <a href="#">3.1(f)</a> | Certificate of Amendment by Directors to Articles filed with the Ohio Secretary of State on January 28, 2009, evidencing adoption of amendments by the Board of Directors of Peoples Bancorp Inc. to Article FOURTH of the Amended Articles of Incorporation to establish express terms of Fixed Rate Cumulative Perpetual Preferred Shares, Series A, each without par value, of Peoples Bancorp Inc. | Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on February 2, 2009 (File No. 0-16772)                                                                                                                        |
| <a href="#">3.1(g)</a> | Certificate of Amendment by the Shareholders to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on July 28, 2021)                                                                                                                                                                                                                             | Incorporated herein by reference to Exhibit 3.1(g) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (File No. 0-16772) ("Peoples' June 30, 2021 Form 10-Q")                                                                    |
| <a href="#">3.1(h)</a> | Amended Articles of Incorporation of Peoples Bancorp Inc. (representing the Amended Articles of Incorporation in compiled form incorporating all amendments through the date of this Quarterly Report on Form 10-Q) [For purposes of SEC reporting compliance only--not filed with Ohio Secretary of State]                                                                                            | Incorporated herein by reference to Exhibit 3.1(h) to Peoples' June 30, 2021 Form 10-Q                                                                                                                                                                               |
| 3.2(a)                 | Code of Regulations of Peoples Bancorp Inc. <sup>P</sup>                                                                                                                                                                                                                                                                                                                                               | Incorporated herein by reference to Exhibit 3(b) to Peoples' Registration Statement on Form 8-B filed on July 20, 1993 (File No. 0-16772)                                                                                                                            |
| <a href="#">3.2(b)</a> | Certified Resolutions Regarding Adoption of Amendments to Sections 1.03, 1.04, 1.05, 1.06, 1.08, 1.10, 2.03(C), 2.07, 2.08, 2.10 and 6.02 of the Code of Regulations of Peoples Bancorp Inc. by shareholders on April 10, 2003                                                                                                                                                                         | Incorporated herein by reference to Exhibit 3(c) to Peoples' March 31, 2003 Form 10-Q                                                                                                                                                                                |

\*Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of SEC Regulation S-K. A copy of any omitted schedules or exhibits will be furnished supplementally by Peoples Bancorp Inc. to the SEC, or the staff of the SEC, on a confidential basis upon request.

<sup>P</sup>Peoples Bancorp Inc. filed this exhibit with the SEC in paper form originally and this exhibit has not been filed with the SEC in electronic format.



| Exhibit Number         | Description                                                                                                                                                                                                | Exhibit Location                                                                                                                                                                 |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">3.2(c)</a> | Certificate regarding adoption of amendments to Sections 3.01, 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and 3.11 of the Code of Regulations of Peoples Bancorp Inc. by shareholders on April 8, 2004             | Incorporated herein by reference to Exhibit 3(a) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 (File No. 0-16772)                      |
| <a href="#">3.2(d)</a> | Certificate regarding adoption of amendments to Sections 2.06, 2.07, 3.01 and 3.04 of Peoples Bancorp Inc.'s Code of Regulations by the shareholders on April 13, 2006                                     | Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on April 14, 2006 (File No. 0-16772)                                      |
| <a href="#">3.2(e)</a> | Certificate regarding adoption of an amendment to Section 2.01 of Peoples Bancorp Inc.'s Code of Regulations by the shareholders on April 22, 2010                                                         | Incorporated herein by reference to Exhibit 3.2(e) to Peoples' Quarterly Report on Form 10-Q/A (Amendment No. 1) for the quarterly period ended June 30, 2010 (File No. 0-16772) |
| <a href="#">3.2(f)</a> | Certificate regarding Adoption of Amendment to Division (D) of Section 2.02 of the Code of Regulations of Peoples Bancorp Inc. by the Shareholders at the Annual Meeting of Shareholders on April 26, 2018 | Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on June 28, 2018 (File No. 0-16772) ("Peoples' June 28, 2018 Form 8-K")   |
| <a href="#">3.2(g)</a> | Code of Regulations of Peoples Bancorp Inc. (This document represents the Code of Regulations of Peoples Bancorp Inc. in compiled form incorporating all amendments.)                                      | Incorporated herein by reference to Exhibit 3.2 to Peoples' June 28, 2018 Form 8-K                                                                                               |
| <a href="#">31.1</a>   | Rule 13a-14(a)/15d-14(a) Certifications [President and Chief Executive Officer]                                                                                                                            | Filed herewith                                                                                                                                                                   |
| <a href="#">31.2</a>   | Rule 13a-14(a)/15d-14(a) Certifications [Executive Vice President, Chief Financial Officer and Treasurer]                                                                                                  | Filed herewith                                                                                                                                                                   |
| <a href="#">32</a>     | Section 1350 Certifications                                                                                                                                                                                | Furnished herewith                                                                                                                                                               |
| 101.INS                | Inline XBRL Instance Document ##                                                                                                                                                                           | Submitted electronically herewith #                                                                                                                                              |
| 101.SCH                | Inline XBRL Taxonomy Extension Schema Document                                                                                                                                                             | Submitted electronically herewith #                                                                                                                                              |
| 101.CAL                | Inline XBRL Taxonomy Extension Calculation Linkbase Document                                                                                                                                               | Submitted electronically herewith #                                                                                                                                              |
| 101.LAB                | Inline XBRL Taxonomy Extension Label Linkbase Document                                                                                                                                                     | Submitted electronically herewith #                                                                                                                                              |
| 101.PRE                | Inline XBRL Taxonomy Extension Presentation Linkbase Document                                                                                                                                              | Submitted electronically herewith #                                                                                                                                              |
| 101.DEF                | Inline XBRL Taxonomy Extension Definition Linkbase Document                                                                                                                                                | Submitted electronically herewith #                                                                                                                                              |
| 104                    | Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)                                                                       | Submitted electronically herewith                                                                                                                                                |

++Management Compensation Plan or Agreement

# Attached as Exhibit 101 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 of Peoples Bancorp Inc. are the following documents formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets at June 30, 2024 (Unaudited) and at December 31, 2023; (ii) Consolidated Statements of Operations (Unaudited) for the three months and the six months ended June 30, 2024 and 2023; (iii) Consolidated Statements of Comprehensive Income (Unaudited) for the three months and the six months ended June 30, 2024 and 2023; (iv) Consolidated Statements of Stockholders' Equity (Unaudited) for the three months and the six months ended June 30, 2024 and 2023; (v) Condensed Consolidated Statements of Cash Flows (Unaudited) for the three months and the six months ended June 30, 2024 and 2023; and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.

## The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEOPLES BANCORP INC.

|       |                |         |                                                                                                           |
|-------|----------------|---------|-----------------------------------------------------------------------------------------------------------|
| Date: | August 1, 2024 | By: /s/ | <u>TYLER WILCOX</u><br>Tyler Wilcox<br>President and Chief Executive Officer                              |
| Date: | August 1, 2024 | By: /s/ | <u>KATIE BAILEY</u><br>Katie Bailey<br>Executive Vice President,<br>Chief Financial Officer and Treasurer |

EXHIBIT 31.1

**CERTIFICATIONS**

I, Tyler Wilcox, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, of Peoples Bancorp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

By: /s/ TYLER WILCOX

Tyler Wilcox

President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATIONS**

I, Katie Bailey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, of Peoples Bancorp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

By:/s/ KATIE BAILEY

Katie Bailey  
Executive Vice President,  
Chief Financial Officer and Treasurer

EXHIBIT 32

**CERTIFICATION PURSUANT TO SECTION 1350  
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE\***

In connection with the Quarterly Report of Peoples Bancorp Inc. ("Peoples Bancorp") on Form 10-Q for the quarterly period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tyler Wilcox, President and Chief Executive Officer of Peoples Bancorp, and I, Katie Bailey, Executive Vice President, Chief Financial Officer and Treasurer of Peoples Bancorp, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of Peoples Bancorp and its subsidiaries.

Date: August 1, 2024

By:/s/

TYLER WILCOX

\_\_\_\_\_  
Tyler Wilcox

President and Chief Executive Officer

Date: August 1, 2024

By:/s/

KATIE BAILEY

\_\_\_\_\_  
Katie Bailey

Executive Vice President,

Chief Financial Officer and Treasurer

\* This certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.