

PEOPLES BANCORP INC

Form S-4

December 11, 2018

As filed with the Securities and Exchange Commission on December 11, 2018 Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Peoples Bancorp Inc.

(Exact name of Registrant as specified in its charter)

Ohio

(State or other jurisdiction of
incorporation or organization)

6021

(Primary Standard Industrial
Classification Code Number)

31-0987416

(I.R.S. Employer Identification
Number)

138 Putnam Street, Marietta, Ohio 47750

(740) 373-3155

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

M. Ryan Kirkham, Esq.

General Counsel &

Corporate Secretary

Peoples Bancorp Inc.

138 Putnam Street, Marietta, Ohio 45750

(740) 376-7574

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

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

and exchanged in the merger.

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

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

PRELIMINARY-SUBJECT TO COMPLETION-DATED DECEMBER 11, 2018
FIRST PRESTONSBURG BANCSHARES INC.

PROXY STATEMENT FOR THE SPECIAL MEETING OF SHAREHOLDERS OF
FIRST PRESTONSBURG BANCSHARES INC.

and

PROSPECTUS OF PEOPLES BANCORP INC.

MERGER PROPOSAL- YOUR VOTE IS VERY IMPORTANT

Peoples Bancorp Inc. (“Peoples”) and First Prestonsburg Bancshares Inc. (“FPB”), have entered into an Agreement and Plan of Merger dated as of October 29, 2018 (the “Merger Agreement”), which provides for the merger of FPB with and into Peoples (the “Merger”). Consummation of the Merger is subject to certain conditions, including, but not limited to, obtaining the requisite vote of the shareholders of FPB and the approval of the Merger by various regulatory agencies.

The board of directors of FPB, which unanimously approved the Merger, has called a special meeting of its shareholders to vote on the adoption and approval of the Merger Agreement. The time, date and place of the FPB special meeting is as follows: , local time, on , 2019, at , Prestonsburg, Kentucky 41653. The adoption and approval of the Merger Agreement by the shareholders of FPB requires the affirmative vote of the holders of at least a majority of FPB’s shares of common stock outstanding and entitled to vote at the special meeting.

Under the terms of the Merger Agreement, if the Merger is completed, shareholders of FPB will be entitled to receive 12.512 Peoples common shares for each FPB share of common stock they own at the effective time of the Merger. In addition, immediately prior to the merger, FPB will pay a special cash distribution of \$140.30 per share to its shareholders (referred to herein as the “special cash distribution”). Although the number of Peoples common shares that FPB shareholders will be entitled to receive (sometimes referred to herein as the “merger consideration”) is fixed, the market value of the merger consideration will fluctuate with the market price of Peoples common shares and will not be known at the time FPB shareholders vote on the Merger. Therefore, at the time of the FPB special meeting, FPB shareholders will not know or be able to calculate the precise market value of the merger consideration they would be entitled to receive upon completion of the Merger. Based on the closing price of \$34.28 per Peoples common share on the NASDAQ Global Select Market® on October 29, 2018 (the last trading day before public announcement of the Merger), the merger consideration represented approximately \$428.91 in value for each share of FPB common stock. Based on Peoples’ closing price on , 2018 of \$, the merger consideration represented approximately \$ in value for each share of FPB common stock. Based on Peoples’ closing price on , 2018, the aggregate value of the merger consideration and the special cash distribution to be paid by FPB immediately prior to the Merger was \$. We urge you to obtain current market quotations for Peoples (trading symbol “PEBO”).

However, as described in “THE MERGER AGREEMENT-Termination of the Merger Agreement” on page , under the terms of the Merger Agreement, if the market value of Peoples common shares decreases by a certain percentage and

also decreases by a certain percentage relative to the NASDAQ Bank Index, FPB would have a right to terminate the Merger Agreement, unless Peoples elects to increase the exchange ratio, which would result in additional Peoples common shares being issued.

Peoples will not issue any fractional common shares in connection with the Merger. Instead, each holder of FPB common stock who would otherwise be entitled to receive a fraction of a Peoples common share (after taking into account all FPB common stock owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount (rounded to the nearest whole cent) equal to the product of (a) the fractional Peoples common share interest (rounded to the nearest thousandth when expressed in decimal form) to which such holder would otherwise be entitled by (b) the volume weighted average closing price per share of Peoples common shares on the NASDAQ Global Select Market® for the twenty consecutive trading days ending on and including the day immediately preceding the effective date of the Merger.

This document is a proxy statement that FPB is using to solicit proxies for use at its special meeting of shareholders to be held on , 2019, to vote on the adoption and approval of the Merger Agreement. It is also a prospectus relating to Peoples' offer and sale of its common shares in connection with the Merger. This proxy statement/prospectus describes the special meeting, the Merger proposal and other related matters.

The board of directors of FPB approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and the FPB's board of directors recommends that shareholders vote "FOR" the adoption and approval of the Merger Agreement, and "FOR" the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement.

You are encouraged to read this document, including all annexes and the materials incorporated by reference into this document, carefully. In particular, you should read the "Risk Factors" section beginning on page for a discussion of the risks related to the Merger and owning Peoples common shares after the Merger.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the special meeting of shareholders of FPB, please complete, sign and return the enclosed proxy card in the enclosed postage-paid envelope.

Not voting your FPB common stock will have the same effect as voting against the adoption and approval of the Merger Agreement. The FPB board of directors urge you to read carefully this proxy statement/prospectus, which contains a detailed description of the special meeting, the Merger proposal, Peoples common shares to be issued in the Merger and other related matters.

Sincerely,

Burl Wells Spurlock
President, Chair & Chief Executive Officer
First Prestonsburg Bancshares Inc.

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

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Kentucky Department of Financial Institutions, the Ohio Division of Financial Institutions nor any state securities commission has approved or disapproved of Peoples common shares to be issued in the Merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the Merger described in this proxy statement/prospectus are not savings accounts, deposit accounts or other obligations of any bank or savings association and are not insured by the Federal

Deposit Insurance Corporation, the Deposit Insurance Fund or any other federal or state governmental agency.

This proxy statement/prospectus is dated , 2019, and it
is first being mailed to FPB shareholders on or about , 2019.

FIRST PRESTONSBURG BANCSHARES INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON _____, 2019

To the Shareholders of First Prestonsburg Bancshares Inc.:

Notice is hereby given that a special meeting of the shareholders of First Prestonsburg Bancshares Inc. (“FPB”) will be held at _____, local time, on _____, 2019, at _____, Prestonsburg, Kentucky 41653, for the purpose of considering and voting on the following matters:

1. a proposal to adopt and approve the Agreement and Plan of Merger dated as of October 29, 2018, by and between Peoples Bancorp Inc. (“Peoples”) and FPB; and
2. a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Agreement and Plan of Merger.

Holders of record of FPB common stock at the close of business on _____, 2019, the record date, are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting. The affirmative vote of the holders of at least a majority of FPB shares outstanding and entitled to vote at the special meeting is required to adopt and approve the Agreement and Plan of Merger.

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

Your vote is very important, regardless of the number of FPB common stock you own. Please vote as soon as possible to make sure that your common shares are represented at the special meeting. If you are a holder of record, you may cast your vote in person at the special meeting or, to ensure that your FPB common stock are represented at the special meeting, you may vote your shares by completing, signing and returning the enclosed proxy card.

FPB’s board of directors unanimously recommends that you vote (1) “FOR” the adoption and approval of the Agreement and Plan of Merger and (2) “FOR” the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

By Order of the Board of Directors,

Burl Wells Spurlock
President, Chair & Chief Executive Officer
_____, 2019 First Prestonsburg Bancshares Inc.

WHERE YOU CAN FIND MORE INFORMATION

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

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

Peoples Bancorp Inc.
138 Putnam Street
P.O. Box 738
Marietta, Ohio 45750
Attention: Investor Relations
(740) 373-3155

Additional information about FPB may be obtained by contacting First Prestonsburg Bancshares Inc., 311 N. Arnold Avenue, Prestonsburg, Kentucky 41653, Attention: Burl Wells Spurlock, (606) 886-2321.

To obtain timely delivery, you must request the information no later than , 2019.

Peoples common shares are traded on the NASDAQ Global Select Market® under the symbol “PEBO.” As noted previously, there is no established public trading market for FPB’s common stock.

Neither Peoples nor FPB have authorized anyone to provide you with any information other than the information included in this document and documents which are incorporated by reference. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this document and the documents incorporated by reference are accurate only as of their respective dates. Peoples’ and FPB’s business, financial condition, results of operations and prospects may have changed since those dates.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

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

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

A: You are receiving this proxy statement/prospectus because Peoples Bancorp Inc. (“Peoples”) and First Prestonsburg Bancshares Inc. (“FPB”) have entered into an Agreement and Plan of Merger dated as of October 29, 2018 (the “Merger Agreement”), attached to this proxy statement/prospectus as Annex A, pursuant to which FPB will be merged with and into Peoples (the “Merger”). Immediately following the Merger, The First Commonwealth Bank of Prestonsburg Inc., a Kentucky banking corporation and a wholly-owned subsidiary of FPB (“First Commonwealth Bank”), will merge with and into Peoples Bank, an Ohio chartered commercial bank and wholly owned subsidiary of Peoples (“Peoples Bank”), with Peoples Bank being the surviving entity, which transaction is referred to as the “subsidiary bank merger.” The Merger Agreement must be adopted and approved by the holders of at least a majority of FPB’s common stock outstanding and entitled to vote at the special meeting, in accordance with Chapter 271B, Subtitle 13, of the Kentucky Business Corporation Act (“KBCA”) and FPB’s Articles of Incorporation, as amended.

This proxy statement/prospectus contains important information about the Merger and the special meeting of the shareholders of FPB, and you should read it carefully. The enclosed proxy card will allow you to vote your FPB common stock without attending the special meeting. Your vote is important. We encourage you to vote as soon as possible.

Q: Why do Peoples and FPB want to merge?

A: FPB believes that the Merger is in the best interests of its shareholders and other constituencies because, among other reasons, the merger consideration and special cash distribution will provide enhanced value and increased liquidity to FPB shareholders. Furthermore, as a result of the Merger, FPB will become part of a larger banking institution, improving its ability to compete with larger financial institutions and better serve its customers’ needs, while maintaining the community bank philosophy that both institutions currently share. To review FPB’s reasons for the Merger in more detail, see “THE MERGER- FPB’s Reasons for the Merger and Recommendation of the FPB Board of Directors” beginning on page of this proxy statement/prospectus.

Peoples believes that the Merger will benefit Peoples and its shareholders by enabling Peoples to further expand into the markets currently served by FPB and strengthening the competitive position of the combined organization. Furthermore, Peoples believes its increased asset size after the Merger will create additional economies of scale and provide opportunities for asset and earnings growth in an extremely competitive banking environment. To review the reasons for the Merger in more detail, see “THE MERGER-Peoples Reasons for the Merger” on page of this proxy statement/prospectus.

Q: What will FPB shareholders receive in the Merger?

A: Under the terms of the Merger Agreement, if the Merger is completed, FPB shareholders will be entitled to receive 12.512 Peoples common shares for each share of FPB common stock they own at the effective time of the Merger. In addition, the Merger Agreement provides that, immediately prior to the effective time of the Merger, FPB will pay its shareholders a one-time special cash distribution of \$140.30 per share or approximately \$11.275 million in the

aggregate (referred to herein as the “special cash distribution”).

Peoples will not issue any fractional common shares in connection with the Merger. Instead, each holder of FPB common stock who would otherwise be entitled to receive a fraction of a Peoples common share (after taking into account all FPB common stock owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount (rounded to the nearest whole cent) equal to the product of (a) the fractional Peoples common share interest (rounded to the nearest thousandth when expressed in decimal form) to which such holder would otherwise be entitled, multiplied by (b) the volume weighted average closing price per share of Peoples common shares on the NASDAQ Global Select Market® for the twenty consecutive trading days ending on and including the day immediately preceding the effective date of the Merger.

Q: Will the value of the merger consideration change between the date of this proxy statement/prospectus and the time

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the Merger is completed?

Yes. In all likelihood, the value of the merger consideration received by FPB shareholders receiving Peoples common shares will fluctuate between the date of this proxy statement/prospectus and the completion of the Merger A: based upon the market value of Peoples common shares. Any fluctuation in the market price of Peoples common shares after the date of this proxy statement/prospectus will change the value of the Peoples common shares that FPB shareholders will receive and the total value of the consideration received in the Merger.

On October 29, 2018, which was the last business day on which Peoples common shares traded preceding the public announcement of the proposed Merger, the closing price of Peoples common shares was \$34.28 which, after giving effect to the 12.512 exchange ratio, has an implied value of approximately \$428.91 per share. As of , 2019, the most reasonably practicable date before the mailing of this proxy statement/prospectus, the closing price of Peoples common shares was \$, which, after giving effect to the 12.512 exchange ratio, has an implied value of approximately \$. In addition, FPB shareholders will receive a special cash distribution to be paid by FPB to its shareholders immediately prior the effective time of the Merger of \$140.30 per share. The amount of the special cash distribution is fixed and will not change.

The market price of Peoples common shares will likely fluctuate before the Merger is completed. We urge you to obtain current market quotations for Peoples common shares, which can be found online at www.Nasdaq.com, among other places.

Q: What are the federal income tax consequences of the Merger?

A: The Merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the "Internal Revenue Code." It is a condition to the completion of the Merger that FPB receive a written tax opinion from Crowe LLP to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. It is expected that FPB shareholders will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their shares of FPB common stock for shares of Peoples common shares pursuant to the Merger, except with respect to any cash received by a FPB shareholder in lieu of a fractional Peoples common share.

This tax treatment may not apply to all shareholders of FPB. Determining the actual tax consequences of the merger to FPB shareholders can be complicated. FPB shareholders should consult their own tax advisor for a full understanding of the Merger's tax consequences that are particular to them. Please see "MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER" beginning on page for further discussion of the material U.S. federal income tax consequences of the Merger.

Q: Does FPB anticipate paying any dividends prior to the effective date of the Merger?

Yes. Under the terms of the Merger Agreement, FPB is permitted to pay to its shareholders: (i) the special cash distribution described above, (ii) its normal and customary quarterly cash dividend in the amount of \$5.00 per share A: for each full calendar quarter preceding the effective date of the Merger and (iii) a cash dividend equal to 31% of FPB's estimated taxable income from the commencement of the calendar quarter in which the Merger occurs through the effective date of the Merger (not to exceed \$5.00 per share).

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

A: The special meeting of shareholders of FPB will be held at , local time, on , 2019, at , Prestonsburg, Kentucky 41653.

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

A: The shareholders of FPB will be asked to: (1) vote to adopt and approve the Merger Agreement; and (2) vote to approve the adjournment of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement.

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

A: The adoption and approval of the Merger Agreement by the shareholders of FPB requires the affirmative vote of the

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holders of at least a majority of FPB's common stock outstanding and entitled to vote at the special meeting. Certain shareholders of FPB, who, collectively, beneficially own 29,549 shares of FPB common stock, or approximately 36.7% of FPB's outstanding common shares, entered into a voting agreement with Peoples, pursuant to which they agreed, subject to certain terms and conditions, to vote all of their shares in favor of the adoption and approval of the Merger Agreement.

The special meeting may be adjourned, if necessary, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement. The affirmative vote of the holders of a majority of the FPB common stock represented, in person or proxy, at the special meeting is required to adjourn the special meeting.

Q: How do I vote?

A: If you were the record holder of FPB common stock as of , 2019, you may vote in person by attending the special meeting or, to ensure that your FPB common stock are represented at the special meeting, you may vote your shares by signing and returning the enclosed proxy card in the postage-paid envelope provided.

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

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

If you mark "ABSTAIN" on your proxy card with respect to the proposal to approve the adjournment of the FPB special meeting, if necessary, to solicit additional proxies, it will have the same effect as a vote "AGAINST" the proposal.

The failure to vote, however, will have no effect on the proposal to approve the adjournment of the FPB special meeting, if necessary, to solicit additional proxies.

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

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

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

A: Yes. If you are a record holder of your shares, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

filing a written notice of revocation with the President of FPB, at 311 N. Arnold Avenue, Prestonsburg, Kentucky 41653;

executing and returning another proxy card with a later date than the earlier proxy card you wish to revoke, which later proxy card must be received by the President of FPB, at 311 N. Arnold Avenue, Prestonsburg, Kentucky 41653, before it is voted at the special meeting; or

attending the special meeting and either giving notice of revocation in person, or voting by ballot at the special meeting.

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

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

A: If you are an FPB shareholder as of , 2019, the record date, and you do not vote your shares in favor of the adoption and approval of the Merger Agreement, you will have the right under Chapter 271B, Subtitle 13, of the KBCA to demand the fair cash value for your FPB common stock. To exercise your dissenters' rights, you must deliver to FPB a written demand for payment of the fair cash value of your shares before the vote on the adoption and approval of the Merger Agreement is taken at the special shareholders' meeting. The demand for payment must include your address, the number and class of FPB common stock owned by you, and the amount you claim to be the fair cash value of your FPB common stock, and should be mailed to: First Prestonsburg Bancshares Inc., Attention: Burl Wells Spurlock, 311 N. Arnold

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Avenue, Prestonsburg, Kentucky 41653. FPB shareholders who wish to exercise their dissenters' rights must: (i) vote against the Merger or elect not to return the proxy card, and (ii) deliver written demand for payment prior to the FPB shareholder vote as described above. For additional information regarding dissenters' rights, see "THE MERGER-Dissenters' Rights" on page of this proxy statement/prospectus and the complete text of the applicable sections of Chapter 271B, Subtitle 13, of the KBCA attached to this proxy statement/prospectus as Annex B. No holder of Peoples common shares is entitled to exercise any rights of a dissenting shareholder under the KBCA.

Q: When is the Merger expected to be completed?

A: We are working to complete the Merger as quickly as we can. We expect to complete the Merger in the second quarter of 2019, assuming shareholder approval and all applicable regulatory approvals have been received and all other conditions precedent to the Merger have been satisfied or waived.

Q: What happens if the Merger is not completed?

A: If the merger is not completed, FPB shareholders will not receive any consideration for their shares in connection with the Merger, and FPB will remain an independent company and will continue to own First Commonwealth Bank. In addition, if the Merger is not completed, FPB will not pay the special cash distribution to shareholders of FPB.

If the Merger Agreement is terminated in certain circumstances, a termination fee may be required to be paid by FPB to Peoples. Please see "THE MERGER AGREEMENT-Acquisition Proposals and Termination Fee" beginning on page for a complete discussion of the circumstances under which a termination fee will be required to be paid.

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

A: No. You should NOT send your FPB stock certificates with your proxy card or at any time prior to the FPB special meeting. Peoples, through its appointed exchange agent, will send FPB shareholders instructions for exchanging their stock certificates for the merger consideration.

Q: What do I need to do now?

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

Q: Who can answer my questions?

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

First Prestonsburg Bancshares Inc.
Attention: Burl Wells Spurlock
311 N. Arnold Avenue, Prestonsburg, Kentucky 41653
(606) 886-2321

SUMMARY

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

The Companies

Peoples Bancorp Inc.

Peoples Bancorp Inc.

138 Putnam Street

P.O. Box 738

Marietta, Ohio 45750

Phone: (740) 373-3155

Peoples Bancorp Inc. is a registered financial holding company incorporated under the laws of the State of Ohio in 1980. Peoples operates principally through its wholly-owned subsidiary, Peoples Bank. Peoples’ other wholly-owned subsidiary is Peoples Investment Company, and Peoples holds all of the common securities of NB&T Statutory Trust III, which were acquired in connection with the acquisition of NB&T Financial Group, Inc. on March 6, 2015. Peoples Bank’s operating subsidiaries include Peoples Insurance Agency, LLC (“Peoples Insurance”) and an asset management company Peoples Tax Credit Equity, LLC.

Peoples Bank was first chartered in 1902 as an Ohio banking corporation under the name “The Peoples Banking and Trust Company” in Marietta, Ohio, and in 2000 was reorganized as a national banking association under the name “Peoples Bank, National Association.” Effective December 30, 2015, the banking subsidiary converted from a national banking association back to an Ohio state-chartered bank, which is a member of the Federal Reserve System. As a result of the charter conversion, the legal name of Peoples’ banking subsidiary was changed to “Peoples Bank” and the converted bank continues to operate under the trade name and federally registered service mark “Peoples Bank.” Peoples Insurance was first chartered in 1994 as an Ohio corporation under the name “Northwest Territory Property and Casualty Insurance Agency, Inc.” In late 1995, Peoples Insurance was awarded insurance agency powers in the state of Ohio, becoming the first insurance agency in Ohio to be affiliated with a financial institution. In 2009, Peoples Insurance was converted from an Ohio corporation to an Ohio limited liability company under its current name. Peoples Investment Company was formed in 2001, and Peoples Tax Credit Equity, LLC was formed in 2014, to optimize Peoples’ consolidated capital position and provide new investment opportunities as a means of enhancing profitability. These opportunities include, but are not limited to, investments in affordable housing tax credit funds or projects, historical tax credit funds, venture capital and other higher risk investments, which are either limited or restricted as investments by Peoples Bank. Presently, the operations of these companies do not represent a material part of Peoples’ overall business activities.

Peoples makes available a complete line of banking, insurance, investment and trust solutions through its financial subsidiaries, Peoples Bank and Peoples Insurance. These products and services include the following:

- various demand deposit accounts, savings accounts, money market accounts and certificates of deposit;
- commercial, consumer and real estate mortgage loans (both commercial and residential) and lines of credit;
- debit and automated teller machine (“ATM”) cards;
- credit cards for individuals and businesses;
- merchant credit card transaction processing services;
- corporate and personal trust services;
- safe deposit rental facilities;
- money orders and cashier’s checks;
- a full range of life, health and property and casualty insurance products;

•brokerage services; and
•custom-tailored fiduciary, employee benefit plans and asset management services.

At September 30, 2018, Peoples had total consolidated assets of approximately \$4.0 billion, total loans of approximately \$2.7 billion, total deposits of approximately \$3.0 billion, and total shareholders' equity of approximately \$504.3 million.

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

First Prestonsburg Bancshares Inc.

First Prestonsburg Bancshares Inc.

311 N. Arnold Avenue

Prestonsburg, Kentucky 41653

Phone: (606) 886-2321

First Prestonsburg Bancshares Inc. is a registered bank holding company and was incorporated under the laws of the Commonwealth of Kentucky in 1978. FPB’s wholly-owned subsidiary, The First Commonwealth Bank of Prestonsburg Inc., operates eight offices in Eastern Kentucky.

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

At September 30, 2018, FPB, on a consolidated basis, had total assets of approximately \$320.8 million, total loans of approximately \$139.2 million, total deposits of approximately \$246.7 million and total shareholders’ equity of approximately \$30.6 million. There is no established public trading market for FPB’s common stock.

The Merger (page)

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

What FPB Shareholders Will Receive in the Merger (page)

Under the terms of the Merger Agreement, if the Merger is completed, shareholders of FPB will be entitled to receive 12.512 Peoples common shares for each share of FPB common stock. Peoples will not issue any fractional common shares in connection with the Merger. Instead, each holder of FPB common stock who would otherwise be entitled to receive a fraction of a Peoples common share will receive cash, in an amount (rounded to the nearest whole cent) equal to the product of (a) the fractional Peoples common share interest to which such holder would otherwise be entitled by (b) the volume weighted average closing price per share of Peoples for the twenty consecutive trading day period specified in the Merger Agreement. The Merger Agreement also provides that FPB will pay a special cash distribution of \$140.30 per share to shareholders of FPB immediately prior to the effectiveness of the Merger.

Peoples common shares are listed on the NASDAQ Global Select Market® under the symbol “PEBO”. FPB’s common stock is not listed on any national securities exchange or quoted on any interdealer quotation system. The following table shows the closing sale prices of Peoples common shares on October 29, 2018, the last full trading day before the public announcement of the proposed Merger, and on , 2018, the last practicable trading day before the date of this proxy statement/prospectus. This table also shows the implied value of the merger consideration payable for each share of FPB common stock, which was calculated by multiplying the closing price of Peoples common shares on those dates by the exchange ratio of 12.512. Finally, the table shows the aggregate of the implied value of the merger consideration plus the value of the special cash distribution to be paid by FPB with respect to each share of FPB common stock.

Peoples Common Shares	Implied Value of merger consideration Per Share of	Aggregate Implied Value of merger consideration
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	FPB Common Stock		Plus Special Cash Distribution Per Share of FPB Common Stock
October 29, 2018	\$ 34.28	\$ 428.91	\$ 569.21
, 2019	\$	\$	\$

The values in the table above are illustrative only. The value of the merger consideration that a FPB shareholder

actually receives will be based on the actual closing price on the NASDAQ Global Select Market® of Peoples common shares upon completion of the Merger, which is likely to be different than the amounts set forth above. Finally, if, prior to the effective time of the Merger and during the time period specified in the Merger Agreement, both the market value of Peoples common shares and the NASDAQ Bank Index drop below certain specified thresholds, FPB will have the right to terminate the Merger Agreement, unless Peoples increases the exchange ratio to an extent specified in the Merger Agreement.

Exchange of FPB Common Stock (page)

Within five business days after the effective time, Peoples will instruct Equiniti Trust Company (the “Exchange Agent”) to send to each FPB shareholder a letter of transmittal for use in the exchange with instructions explaining how to surrender FPB common stock certificates to the Exchange Agent. Within ten days following receipt of a properly completed letter of transmittal, the Exchange Agent will cause Peoples common shares to be issued in book-entry form and make any necessary cash payments in respect of cash to be paid in respect of any fractional share interests or dividends or distributions which such shareholder is entitled to receive.

FPB Special Meeting of Shareholders (page)

A special meeting of shareholders of FPB will be held at , local time, on , 2019, at , Prestonsburg, Kentucky 41653, for the purpose of considering and voting on the following matters:

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

You are entitled to vote at the special meeting if you owned FPB common stock as of the close of business on , 2019.

As of , 2019, a total of 80,632 FPB common stock were outstanding and eligible to be voted at the FPB special meeting. As of the same date, there were no FPB preferred shares outstanding or eligible to be voted at the FPB special meeting.

Required Vote (page)

The adoption and approval of the Merger Agreement will require the affirmative vote of the holders of at least FPB common stock, which is a majority of the FPB common stock outstanding and entitled to vote at the FPB special meeting. A majority of FPB’s outstanding common stock must be present, in person or by proxy, at the special meeting to constitute a quorum. The affirmative vote of the holders of a majority of the FPB common stock represented, in person or proxy, at the special meeting is required to adjourn the special meeting, if necessary, to solicit additional proxies.

Certain directors of FPB, who own FPB common stock, along with Ms. Elizabeth Lambert, vice president of FPB, and Mr. Burl Wells Spurlock II, who collectively have the power to vote 29,549 shares of FPB common stock, or approximately 37% of the outstanding FPB common stock, entered into a voting agreement with Peoples on October 29, 2018, pursuant to which they agreed, subject to certain terms and conditions, to vote all of their shares in favor of the adoption and approval of the Merger Agreement. Excluding such shares held by parties that entered into the aforementioned voting agreement, the adoption and approval of the Merger Agreement will require the affirmative vote of the holders of at least 11,436 shares of FPB common stock, or approximately 14% of the outstanding shares not previously committed under the voting agreement.

As of the date of this proxy statement/prospectus, Peoples and its directors, executive officers and affiliates beneficially owned no shares of FPB common stock, and FPB and its directors, executive officers and affiliates beneficially owned no Peoples common shares.

Recommendation to FPB Shareholders (page)

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

“FOR” the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

In reaching this decision, the board of directors of FPB considered many factors which are described in the section captioned “THE MERGER- FPB’s Reasons for the Merger and Recommendation of the FPB Board of Directors” beginning on page of this proxy statement/prospectus.

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Opinion of FPB's Financial Advisor (page)

On October 29, 2018, ProBank Austin rendered its opinion to the board of directors of FPB that as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the merger consideration to be received in the Merger, when considered together with the special cash distribution to be paid by FPB to its shareholders immediately prior to the effective time of the Merger, was fair, from a financial point of view, to FPB's shareholders. The full text of ProBank Austin's written opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this document as Annex C. FPB shareholders are urged to read the opinion in its entirety. ProBank Austin's written opinion is addressed to the board of directors of FPB and does not constitute a recommendation as to how any holder of FPB common stock should vote with respect to the Merger or any other matter.

Material U.S. Federal Income Tax Consequences of the Merger and the Special Cash Distribution (pages and)

We intend that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and that, accordingly, for federal income tax purposes (i) no gain or loss will be recognized by Peoples or FPB as a result of the Merger, and (ii) FPB shareholders will recognize no gain or loss upon the exchange of FPB common stock for Peoples common shares pursuant to the Merger (other than the gain or loss to be recognized as to cash received in lieu of fractional Peoples common shares), and their basis in and holding periods for Peoples common shares received may vary among shares if blocks of FPB common stock were acquired at different times or for different prices. With respect to the special cash distribution, FPB shareholders will be taxed only on the amount, if any, that the distribution exceeds such shareholder's adjusted tax basis in their FPB common stock.

All FPB shareholders should read carefully the description under the sections captioned "THE MERGER-Material U.S. Federal Income Tax Consequences of the Merger" and "THE MERGER-Material U.S. Federal Income Tax Consequences of the Special Cash Distribution" beginning on pages and of this proxy statement/prospectus and should consult their own tax advisors concerning these matters. All FPB shareholders should consult their tax advisors as to the specific tax consequences of the Merger and special cash distribution to them, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws.

Interests of Directors and Officers of FPB (page)

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

- upon the consummation of the Merger, change in control and severance cash payments to certain executive officers, and continued at-will employment and benefits for Greg A. Wilson;

- continued indemnification for events occurring before the Merger; and

- coverage under a directors' and officers' insurance policy for six years following the effective date of the Merger.

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

Dissenters' Rights of FPB shareholders (page)

Under Kentucky law, FPB shareholders of record who do not vote in favor of the adoption and approval of the Merger Agreement, deliver a written demand for payment for the fair cash value of their FPB common stock prior to the FPB special meeting, and who otherwise comply with the applicable provisions of Chapter 271B, Subtitle 13 of the KBCA will be entitled, if and when the Merger is completed, to receive the fair cash value of their FPB common stock. The right to make this demand is known as "dissenters' rights." FPB shareholders' right to receive the fair cash value of their

FPB common stock, however, is contingent upon strict compliance with the procedures set forth in Chapter 271B, Subtitle 13, of the KBCA. An FPB shareholder's failure to vote against the adoption and approval of the Merger Agreement will not constitute a waiver of such shareholder's dissenters' rights, provided that such shareholder does not vote in favor of the Merger Agreement or return an unmarked proxy card.

For additional information regarding your dissenters' rights, see "THE MERGER-Dissenters' Rights" on page of this proxy statement/prospectus and the complete text of Chapter 271B, Subtitle 13, of the KBCA attached to this proxy statement/prospectus as Annex B. You are encouraged to read these provisions carefully and in their entirety. Due to the

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complexity of the procedures for exercising your dissenters' rights, FPB shareholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with these provisions will result in the loss of dissenters' rights.

Certain Differences in Shareholder Rights (page)

When the Merger is completed, some FPB shareholders will receive Peoples common shares and, therefore, will become Peoples shareholders. As Peoples shareholders, your rights will be governed by Peoples' Amended Articles of Incorporation, and Regulations, as well as Ohio law. Notably, FPB shareholders will own less of the combined company and as such will have decreased voting power. See "Comparison of certain rights of FPB and Peoples shareholders" beginning on page of this proxy statement/prospectus.

Regulatory Approvals Required for the Merger (page)

The Merger cannot be completed until Peoples receives the required regulatory approvals or waivers of applications, which include the approval of both the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Ohio Division of Financial Institutions ("ODFI") for the subsidiary bank merger and the Federal Reserve's waiver request to consummate the Merger. In addition, First Commonwealth Bank is required to seek approval from the Kentucky Department of Financial Institutions in connection with the special cash distribution. Peoples will submit an application to both the Federal Reserve and ODFI for the subsidiary bank merger, as well as a waiver request to the Federal Reserve relating to the approval of the Merger. First Commonwealth Bank will submit the required application to the Kentucky Department of Financial Institutions in connection for approval of the special cash distribution.

Conditions to the Merger (page)

As more fully described in this proxy statement/prospectus and in the Merger Agreement, the completion of the Merger depends on the adoption and approval of the Merger Agreement by FPB's shareholders and receipt of the required regulatory approvals, in addition to satisfaction of, or where legally permissible, waiver of, other customary conditions. Although Peoples and FPB anticipate the closing of the Merger will occur in the second quarter of 2019, neither Peoples nor FPB can be certain when, or if, the conditions to the Merger will be satisfied or, where permissible, waived, or that the Merger will be completed. See "THE MERGER AGREEMENT-Conditions to Consummation of the Merger" beginning on page of this proxy statement/prospectus.

Termination of the Merger Agreement (page)

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

• if there is a material breach by the other party of any representation, warranty, covenant or agreement contained in the Merger Agreement that cannot be or has not been cured within 30 calendar days of notice of the breach;

• by a vote of a majority of the members of its board of directors, in the event that the Merger has not been consummated by June 30, 2019, unless the failure to complete the Merger by that date is due to the knowing action or inaction of the party seeking to terminate;

• by a vote of a majority of the members of its board of directors, in the event that (i) regulatory approval has been denied, (ii) FPB shareholders do not adopt and approve the Merger Agreement at the FPB special shareholder meeting, or (iii) the SEC advises that it will not declare this registration statement effective; or

•

if FPB desires to enter into a superior competing transaction (as defined in the Merger Agreement) or FPB's board changes its recommendation in favor of the transaction, in each case after payment to Peoples of the termination fee described below.

FPB, acting alone, may also terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective upon written notice to Peoples:

if, prior to the effective time of the Merger and during the time period specified in the Merger Agreement, the market value of Peoples common shares decreases by a certain percentage and also decreases by a certain

percentage relative to the NASDAQ Bank Index; provided, however, that Peoples will have the right to prevent FPB's termination by increasing the exchange ratio pursuant to a formula set forth in the Merger Agreement.

See "THE MERGER AGREEMENT-Termination of the Merger Agreement" on page for a more complete description of these circumstances.

Acquisition Proposals and Termination Fee (page)

Because FPB has entered into the Merger Agreement, a binding legal agreement, if FPB or First Commonwealth Bank desires to terminate the Merger Agreement in favor of entering into a superior competing transaction with any third party, FPB must pay Peoples the sum of \$1,800,000. See "THE Merger Agreement-Acquisition Proposals and Termination Fee" beginning on page of this proxy statement/prospectus.

[END OF SUMMARY]

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF PEOPLES

The following selected historical consolidated financial data as of and for the twelve months ended December 31, 2017, 2016, 2015, 2014 and 2013 is derived from the audited consolidated financial statements of Peoples. The following selected historical consolidated financial data as of and for the nine months ended September 30, 2018 and 2017 is derived from the unaudited consolidated financial statements of Peoples and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of Peoples' management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the nine months ended September 30, 2018 are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2018 or any future period. You should read the following selected historical consolidated financial data in conjunction with: (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Peoples' audited consolidated financial statements and accompanying notes included in Peoples' Annual Report on Form 10-K for the twelve months ended December 31, 2017; and (ii) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Peoples' unaudited consolidated financial statements and accompanying notes included in Peoples' Quarterly Report on Form 10-Q for the nine months ended September 30, 2018, both of which are incorporated by reference into this proxy statement/prospectus. See "WHERE YOU CAN FIND MORE INFORMATION."

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(Dollars in thousands, except per share data)	At or For the Nine Months Ended						
	September 30,		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Operating Data ^(a)							
Total interest income	\$ 110,686	\$ 93,753	\$ 126,525	\$ 115,444	\$ 108,333	\$ 80,200	\$ 67,071
Total interest expense	15,135	9,498	13,148	10,579	10,721	10,694	11,686
Net interest income	95,491	84,255	113,377	104,865	97,612	69,506	55,385
Provision for (recovery of) loan losses	4,473	2,657	3,772	3,539	14,097	339	(4,410)
Total non-interest income	42,577	41,834	55,573	50,867	46,382	40,020	37,554
Total non-interest expense	95,021	80,569	107,975	106,911	115,081	85,009	68,265
Net income	\$ 32,358	\$ 29,470	\$ 38,471	\$ 31,157	\$ 10,941	\$ 16,684	\$ 17,574
Balance Sheet Data ^(a)							
Total investment securities	\$ 874,159	\$ 877,555	\$ 874,486	\$ 859,455	\$ 868,830	\$ 713,659	\$ 680,526
Loans, net of deferred fees and costs	2,707,722	2,327,035	2,357,237	2,224,936	2,072,440	1,620,898	1,196,234
Allowance for loan losses	19,879	18,992	18,793	18,429	16,779	17,881	17,065
Goodwill and other intangible assets	163,401	143,859	144,576	146,018	149,617	109,158	77,603
Total assets	4,003,089	3,552,412	3,581,684	3,323,348	3,258,970	2,567,769	2,059,108
Non-interest-bearing deposits	617,447	724,846	556,010	534,421	717,939	493,162	409,891
Other interest-bearing deposits	2,158,418	1,846,787	2,014,702	1,736,469	1,770,370	1,386,008	1,103,161
Brokered certificates of deposits	265,258	93,049	159,618	88,832	47,635	53,904	67,706
Short-term borrowings	296,830	193,717	209,493	105,607	160,386	88,277	113,590
Junior subordinated debentures held by subsidiary trust	7,239	7,061	7,107	6,924	6,736	—	—
Other long-term borrowings	103,860	188,829	136,912	138,231	106,934	179,083	121,826
Total shareholders' equity	504,290	457,386	458,592	435,261	419,789	340,118	221,553
Tangible assets ^(b)	3,839,688	3,408,553	3,437,811	3,086,330	3,109,353	2,458,611	1,981,505
Tangible equity ^(b)	\$ 340,889	\$ 313,523	\$ 314,016	\$ 289,243	\$ 270,173	\$ 230,960	\$ 143,950
Per Common Share Data ^(a)							
Earnings per common share - basic	\$ 1.70	\$ 1.62	\$ 2.12	\$ 1.72	\$ 0.62	\$ 1.36	\$ 1.65
Earnings per common share - diluted	1.69	1.61	2.10	1.71	0.61	1.35	1.63
Cash dividends declared per common share	0.82	0.62	0.84	0.64	0.60	0.60	0.54
Book value per common share ^(c)	25.79	25.02	25.08	23.92	22.81	22.92	20.89
Tangible book value per common share ^{(b)(c)}	\$ 17.44	\$ 17.15	\$ 17.17	\$ 15.89	\$ 14.68	\$ 15.57	\$ 13.57
Weighted-average number of common shares outstanding - basic	18,875,200	18,043,692	18,050,189	18,133,693	17,555,140	12,183,352	10,581,222
Weighted-average number of common shares outstanding - diluted	19,004,088	18,199,959	18,208,684	18,455,463	17,687,795	12,306,224	10,679,417
Common shares outstanding at end of period	19,550,018	18,281,194	18,287,442	18,200,067	18,404,864	14,836,727	10,605,782
Closing stock price at end of period	\$ 35.03	\$ 33.59	\$ 32.62	\$ 32.46	\$ 18.84	\$ 25.93	\$ 22.51

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	At or For the Nine Months Ended		At or For the Year Ended December 31,					
	2018	2017	2017	2016	2015	2014	2013	
Significant Ratios ^(a)								
Return on average shareholders' equity	8.97	% 8.80	% 8.54	% 7.20	% 2.69	% 6.16	% 7.92	%
Return on average assets	1.13	1.13	1.10	0.94	0.35	0.74	0.91	
Average shareholders' equity to average assets	12.58	12.81	12.83	13.03	13.09	12.08	11.48	
Average loans to average deposits	89.11	86.09	86.10	83.22	80.08	79.58	70.79	
Net interest margin	3.69	3.61	3.62	3.54	3.53	3.45	3.23	
Efficiency ratio ^{(c)(d)}	66.48	62.24	62.20	65.13	75.50	75.37	71.90	
Pre-provision net revenue to total average assets ^(e)	1.52	1.65	1.65	1.48	0.96	1.10	1.26	
Dividend payout ratio	48.55	% 38.34	% 39.86	% 37.40	% 96.35	% 43.10	% 33.20	%
Asset Quality Ratios ^(a)								
Nonperforming loans as a percent of total loans ^{(c)(f)}	0.67	% 0.85	% 0.73	% 1.13	% 0.94	% 0.69	% 0.60	%
Nonperforming assets as a percent of total assets ^{(c)(f)}	0.46	0.56	0.49	0.75	0.62	0.47	0.39	
Nonperforming assets as a percent of total loans and other real estate owned ("OREO") ^{(c)(f)}	0.67	0.86	0.74	1.16	0.98	0.75	0.67	
Criticized loans as a percent of total loans ^{(c)(g)}	4.38	4.15	3.84	4.46	5.89	4.60	4.94	
Classified loans as a percent of total loans ^{(c)(h)}	1.81	1.77	1.97	2.59	2.91	2.76	3.07	
Allowance for loan losses as a percent of total loans ^(c)	0.73	0.82	0.80	0.83	0.81	1.10	1.43	
Allowance for loan losses as a percent of nonperforming loans ^{(c)(f)(i)}	109.71	96.11	108.52	73.43	86.05	159.58	237.87	
Provision for (recovery of) loan losses as a percent of average total loans	0.23	0.16	0.16	0.17	0.72	0.02	(0.42))
Net charge-offs (recoveries) as a percent of average total loans ^(j)	0.18	% 0.12	% 0.15	% 0.09	% 0.78	% (0.03))% (0.35))%
Capital Ratios ^(a)								
Common Equity Tier 1 ^(k)	13.31	% 13.31	% 13.45	% 12.91	% 13.36	% N/A	N/A	
Tier 1	13.58	13.60	13.74	13.21	13.67	14.32	12.42	
Total (Tier 1 and Tier 2)	14.30	14.49	14.62	14.11	14.54	15.48	13.78	
Tier 1 leverage	9.71	9.81	9.90	9.66	9.52	9.92	8.52	
Tangible equity to tangible assets ^(b)	8.88	% 9.2	% 9.14	% 8.8	% 8.69	% 9.39	% 7.26	%

Reflects the impact of the acquisition of Midwest Bancshares, Inc. beginning May 30, 2014, of Ohio Heritage Bancorp, Inc. beginning August 22, 2014, of North Akron Savings Bank beginning October 24, 2014, of NB&T Financial Group, Inc. beginning March 6, 2015 and of ASB Financial Corp. beginning April 13, 2018

This amount represents a non-GAAP financial measure since it excludes the balance sheet impact of intangible assets acquired through acquisitions on total shareholders' equity and total assets. See "Non-GAAP financial measures," below for a reconciliation of these measures to their most comparable GAAP measures.

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

Total other expenses (less amortization of other intangible assets) as a percentage of fully tax-equivalent net interest income plus total non-interest income (excluding all gains and all losses). This amount represents a non-GAAP financial measure since it excludes amortization of other intangible assets, and all gains and/or losses included in earnings, and uses fully tax-equivalent net interest income. See "Non-GAAP financial measures," below for a reconciliation of this measure to its most comparable GAAP measure.

This ratio represents a non-GAAP financial measure since it excludes the provision for (recovery of) loan losses and all gains and/or losses included in earnings. See "Non-GAAP financial measures," below for a reconciliation of this measure to its most comparable GAAP measure.

- (f) Nonperforming loans include loans 90+ days past due and accruing, renegotiated loans and nonaccrual loans.
- (f) Nonperforming assets include nonperforming loans and other real estate owned.
- (g) Includes loans categorized as special mention, substandard and doubtful.
- (h) Includes loans categorized as substandard and doubtful.

The decreases since 2013 were primarily due to a reduction in the five year historical loss rates. Additional information regarding the allowance for loan losses can be found in "ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" of Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2016 under the caption "Allowance for Loan Losses".

(i) Net charge-offs (recoveries) as a percent of average total loans increased in 2015 as Peoples recorded a \$13.1 million charge-off associated with one large commercial relationship, resulting in 0.67% of the reported amount of 0.78%.

(j) Peoples' capital conservation buffer was 6.30% at September 30, 2018 and 6.62% at December 31, 2017, compared to 2.50% for the fully phased-in capital conservation buffer required January 1, 2019.

Non-GAAP Financial Measures

Tangible Capital Measures

Peoples' management uses tangible capital measures to evaluate the adequacy of Peoples' shareholders' equity. Such ratios represent non-GAAP financial information since their calculation removes the impact on the consolidated balance sheets of intangible assets acquired through acquisitions. Peoples' 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-GAAP financial measures to amounts shown in Peoples' selected historical consolidated financial data:

(Dollars in thousands)	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,					
	2018	2017	2017	2016	2015	2014	2013	
Tangible Equity:								
Total shareholders' equity	\$504,290	\$457,386	\$458,592	\$435,261	\$419,789	\$340,118	\$221,553	
Less: goodwill and other intangible assets	163,401	143,859	144,576	146,018	149,617	109,158	77,603	
Tangible equity	\$340,889	\$313,527	\$314,016	\$289,243	\$270,172	\$230,960	\$143,950	
Tangible Assets:								
Total assets	\$4,003,089	\$3,552,412	\$3,581,686	\$3,432,348	\$3,258,970	\$2,567,769	\$2,059,108	
Less: goodwill and other intangible assets	163,401	143,859	144,576	146,018	149,617	109,158	77,603	
Tangible assets	\$3,839,688	\$3,408,553	\$3,437,110	\$3,286,330	\$3,109,353	\$2,458,611	\$1,981,505	
Tangible Book Value per Share:								
Tangible equity	\$340,889	\$313,527	\$314,016	\$289,243	\$270,172	\$230,960	\$143,950	
Common shares outstanding	19,550,014	18,281,194	18,287,449	18,200,067	18,404,864	14,836,727	10,605,782	
Tangible book value per share	\$17.44	\$17.15	\$17.17	\$15.89	\$14.68	\$15.57	\$13.57	
Tangible Equity to Tangible Assets Ratio:								
Tangible equity	\$340,889	\$313,527	\$314,016	\$289,243	\$270,172	\$230,960	\$143,950	
Tangible assets	\$3,839,688	\$3,408,553	\$3,437,110	\$3,286,330	\$3,109,353	\$2,458,611	\$1,981,505	
Tangible equity to tangible assets	8.88	%9.20	%9.14	%8.80	%8.69	%9.39	%7.26	%

Core Fee-Based Income and Expense

Core fee-based income and core non-interest expense are financial measures used to evaluate Peoples' recurring revenue and expense streams. These measures are non-GAAP since they exclude the impact of all gains and/or losses, core banking system conversion revenue and costs, acquisition-related costs, pension settlement charges and other non-recurring expenses.

The following tables provide reconciliations of these non-GAAP measures to the amounts reported in Peoples' Consolidated Financial Statements for the periods presented:

(Dollars in thousands)	At or For the Nine Months Ended		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Core fee-based income:							
Total non-interest income	\$ 42,577	\$ 41,834	\$ 55,573	\$ 50,867	\$ 46,382	\$ 40,020	\$ 37,554
Less: net (loss) gain on investment securities	(146)	2,219	2,983	930	729	398	489
Less: net (loss) gain on asset disposals and other transactions	(319)	81	(63)	(1,133)	(1,788)	(431)	(155)
Adjusted total non-interest income	\$ 43,042	\$ 39,534	\$ 52,653	\$ 51,070	\$ 47,441	\$ 40,053	\$ 37,220
Plus: core banking system conversion revenue waived	—	—	—	85	—	—	—
Adjusted core non-interest income	\$ 43,042	\$ 39,534	\$ 52,653	\$ 51,155	\$ 47,441	\$ 40,053	\$ 37,220

(Dollars in thousands)	At or For the Nine Months Ended		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Core non-interest expense:							
Total non-interest expense	\$ 95,021	\$ 80,569	\$ 107,975	\$ 106,911	\$ 115,081	\$ 85,009	\$ 68,265
Less: system conversion costs	—	—	—	1,259	—	—	—
Less: acquisition-related costs	6,880	—	341	—	10,722	4,752	1,412
Less: pension settlement charges	176	—	242	—	459	1,400	270
Less: other non-core charges	—	—	—	—	592	298	—
Core non-interest expense	\$ 87,965	\$ 80,569	\$ 107,392	\$ 105,652	\$ 103,308	\$ 78,559	\$ 66,583

Efficiency Ratio

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

The following table provides a reconciliation of this non-GAAP financial measure to the amounts shown in Peoples' selected historical consolidated financial data for the periods presented:

(Dollars in thousands)	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,					
	2018	2017	2017	2016	2015	2014	2013	
Efficiency ratio:								
Total non-interest expense	\$95,021	\$ 80,569	\$107,975	\$106,911	\$115,081	\$85,009	\$68,265	
Less: Amortization of other intangible assets		2,477	2,603	3,516	4,030	4,077	1,428	807
Adjusted total non-interest expenses	\$ 92,544	\$ 77,966	\$ 104,459	\$102,881	\$111,004	\$ 83,581	\$ 67,458	
Adjusted total non-interest income	\$43,042	\$ 39,534	\$52,653	\$51,070	\$47,441	\$40,053	\$37,220	
Net interest income	\$ 95,491	\$ 84,255	\$ 113,377	\$104,865	\$ 97,612	\$ 69,506	\$ 55,385	
Add: Fully tax-equivalent adjustment ^(a)	670	1,471	1,912	2,027	1,978	1,335	1,211	
Net interest income on a fully tax-equivalent basis	\$ 96,161	\$ 85,726	\$ 115,289	\$106,892	\$ 99,590	\$ 70,841	\$ 56,596	
Adjusted revenue	\$ 139,203	\$ 125,260	\$ 167,942	\$157,962	\$147,031	\$110,894	\$ 93,816	
Efficiency ratio	66.48%	62.24%	62.20%	65.13%	75.50%	75.37%	71.90%	
Core non-interest expense	\$87,965	\$ 80,569	\$107,392	\$105,652	\$103,308	\$78,559	\$66,583	
Less: Amortization of other intangible assets	2,477	2,603	3,516	4,030	4,077	1,428	807	
Adjusted core non-interest expense	\$85,488	\$ 77,966	\$103,876	\$101,622	\$99,231	\$77,131	\$65,776	
Adjusted core non-interest income	\$43,042	\$ 39,534	\$52,653	\$51,155	\$47,441	\$40,053	\$37,220	
Net interest income on a fully tax-equivalent basis	\$96,161	\$ 85,726	\$115,289	\$106,892	\$99,590	\$70,841	\$56,596	
Adjusted core revenue	\$139,203	\$ 125,260	\$167,942	\$158,047	\$147,031	\$110,894	\$93,816	
Efficiency ratio adjusted for non-core items	61.41	%62.24	% 61.85	% 64.3	% 67.49	% 69.55	% 70.11	

(a) Used a 21% federal corporate income tax rate for 2018 periods and a 35% federal corporate income tax rate for the previous periods.

Pre-Provision Net Revenue

Pre-provision net revenue (“PPNR”) has become a key financial measure used by federal bank regulatory agencies when assessing the capital adequacy of financial institutions. PPNR is defined as net interest income plus non-interest income minus total other expenses and, therefore, excludes the provision for, or recovery of, loan losses and all gains and losses included in earnings. 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.

The following table provides a reconciliation of this non-GAAP financial measure to the amounts of income before income taxes shown in Peoples’ selected historical consolidated financial data for the periods presented:

	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(Dollars in thousands)							
Income before income taxes	\$38,574	\$42,863	\$57,203	\$45,282	\$14,816	\$24,178	\$29,084
Add: provision for loan losses	4,473	2,657	3,772	3,539	14,097	339	—
Add: net loss on debt extinguishment	13	—	—	707	520	—	—
Add: net loss on loans held-for-sale and OREO	—	24	116	34	529	68	—
Add: net loss on securities transactions	146	—	—	—	—	—	—
Add: net loss on other assets and other transactions	315	41	—	392	739	430	241
Less: recovery of loan losses	—	—	—	—	—	—	4,410
Less: net gain on debt extinguishment	—	—	—	—	—	67	—
Less: net gain on loans held-for-sale and OREO	9	13	—	—	—	—	86
Less: net gain on securities transactions	—	2,219	2,983	930	729	398	489
Less: net gain on other transactions	—	133	53	—	—	—	—
Pre-provision net revenue	\$43,512	\$43,220	\$58,055	\$49,024	\$29,972	\$24,550	\$24,340
Total average assets	\$3,832,554	\$3,492,772	\$3,510,288	\$3,320,447	\$3,111,853	\$2,240,534	\$1,932,367
Pre-provision net revenue to total average assets ^(a)	1.52%	1.65%	1.65%	1.48%	0.96%	1.10%	1.26%

(a) Presented on an annualized basis.

UNAUDITED COMPARATIVE PER SHARE DATA

The following table sets forth for Peoples and FPB certain historical, pro forma and pro forma-equivalent per share financial information as of and for the year ended December 31, 2017, and as of and for the nine months ended September 30, 2018. The information in the table below, in part, is derived from and should be read together with the historical consolidated financial statements of Peoples and FPB incorporated by reference into and included in this proxy statement/prospectus. The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect certain anticipated costs and benefits of the Merger and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the Merger been consummated at the beginning of the periods presented. The pro forma data gives effect to the Merger and is based on numerous assumptions and estimates. The pro forma combined per share data and FPB equivalent pro forma per share data are prepared assuming a maximum of 1,005,490 common shares will be issued in the Merger. See “THE MERGER AGREEMENT-Merger Consideration” on page .

	As of and for the Year Ended December 31, 2017	As of and for the Nine Months Ended September 30, 2018
Earnings per common share: Basic		
Peoples total historical	\$ 2.12	\$ 1.70
FPB historical	37.98	29.98
Pro forma total combined	2.17	1.74
Equivalent pro forma for one FPB common share	36.09	29.01
Earnings per common share: Diluted		
Peoples total historical	2.10	1.69
FPB historical	37.98	29.98
Pro forma combined	2.15	1.73
Equivalent pro forma for one FPB common share	35.78	28.85
Cash dividends declared per common share		
Peoples historical	0.84	0.82
FPB historical	21.00	15.00
Pro forma combined	0.84	0.82
Equivalent pro forma for one FPB common share	13.98	13.65
Book value per common share:		
Peoples historical	25.08	25.79
FPB historical	422.39	380.21
Pro forma combined	25.54	26.15
Equivalent pro forma for one FPB common share	425.13	435.27

MARKET PRICE AND DIVIDEND INFORMATION

Peoples common shares are listed and trade on the NASDAQ Global Select Market® under the symbol “PEBO.” As of , 2019, there were Peoples common shares outstanding. Peoples has approximately shareholders of record.

There is no established trading market for FPB’s common stock. As of , 2019, there were 80,362 FPB common stock outstanding, which were held by approximately holders of record.

The information presented in the following table reflects the last reported sale prices per share of Peoples common shares and FPB common stock as of October 29, 2018, the last trading day preceding our public announcement of the Merger, and on , 2019, the last practicable day for which information was available prior to the date of this proxy statement/prospectus. The table also presents the equivalent market value per share of FPB common stock as of such dates.

	Peoples’ Common Shares	FPB’s Common Stock	Equivalent Market Value Per Share of FPB Common Stock			
October 29, 2018	\$ 34.28	\$ ⁽²⁾	\$ 428.91			
, 2019	\$	\$				
	Peoples Common Shares		FPB Common Stock			
				⁽¹⁾		
	High	Low	Dividends	High	Low	Dividends
2019						
First Quarter						
(through , 2019)						
2018						
First Quarter	\$36.99	\$32.71	\$ 0.26	\$ ⁽²⁾	\$ ⁽²⁾	\$ 5.00
Second Quarter	\$39.58	\$34.29	\$ 0.28	\$ ⁽²⁾	\$ ⁽²⁾	\$ 5.00
Third Quarter	\$39.55	\$34.75	\$ 0.28	\$ ⁽²⁾	\$ ⁽²⁾	\$ 5.00
Fourth Quarter			\$ 0.30	\$ ⁽²⁾	\$ ⁽²⁾	
2017						
First Quarter	\$24.35	\$20.80	\$ 0.20	\$ ⁽²⁾	\$ ⁽²⁾	\$ 6.00
Second Quarter	\$23.90	\$19.00	\$ 0.20	\$ ⁽²⁾	\$ ⁽²⁾	\$ 5.00
Third Quarter	\$21.85	\$18.05	\$ 0.22	\$ ⁽²⁾	\$ ⁽²⁾	\$ 5.00
Fourth Quarter	\$22.84	\$19.40	\$ 0.22	\$ ⁽²⁾	\$ ⁽²⁾	\$ 5.00

There is no established public trading market for FPB’s common stock. FPB believes that there was a total of one (1) transaction involving FPB common stock during the periods reported above, and the pricing information for that transaction was not reported to FPB.

(2)No pricing information reported.

The market value of Peoples common shares to be issued in exchange for FPB common stock upon the completion of the Merger will not be known at the time of the Peoples or FPB shareholder meeting. The above tables, with respect to Peoples, show only historical comparisons. Because the market prices of Peoples common shares and FPB common

stock will likely fluctuate prior to the Merger, these comparisons may not provide meaningful information to FPB shareholders in determining whether to adopt and approve the Merger Agreement. Shareholders are encouraged to obtain current market quotations for Peoples common shares and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus. See “WHERE YOU CAN FIND MORE INFORMATION” beginning on page .

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the heading “CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS” commencing on page and the matters discussed under the caption “Risk Factors” in the Annual Report on Form 10-K filed by Peoples for the year ended December 31, 2017 and other reports filed with the SEC, you should carefully consider the following risk factors in deciding how to vote on adoption and approval of the Merger Agreement. The following is a discussion of the most significant factors that make an investment in Peoples common stock speculative or risky, but does not purport to present an exhaustive description of such risks. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See “WHERE YOU CAN FIND MORE INFORMATION” in the forepart of this document.

Risks Related to the Merger

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

Under the terms of the Merger Agreement, if the Merger is completed, shareholders of FPB will be entitled to receive 12.512 Peoples common shares for each share of FPB common stock, subject to adjustment under certain circumstances set forth in the Merger Agreement.

FPB does not have a right to terminate the Merger Agreement based upon changes in the market price of Peoples common shares, subject to the limited exception described below. Accordingly, the dollar value of Peoples common shares to FPB shareholders upon completion of the Merger will depend upon the market value of Peoples common shares at the time of completion of the Merger, which may be lower or higher than the closing price of Peoples common shares on the last full trading day preceding public announcement that Peoples and FPB entered into the Merger Agreement, the last full trading day before the date this proxy statement/prospectus was mailed or the date of the FPB special meeting. The market values of Peoples common shares and FPB common stock have varied since Peoples and FPB entered into the Merger Agreement and will continue to vary in the future due to changes in the business, operations or prospects of Peoples and FPB, market assessments of the Merger, regulatory considerations, market and economic considerations, and other factors, most of which are beyond Peoples’ and FPB’s control. Accordingly, at the time of the FPB special meeting, FPB shareholders will not know or be able to calculate the precise market value of the stock consideration they will be entitled to receive upon completion of the Merger. FPB shareholders should obtain current market quotations for Peoples common shares. See “MARKET PRICE AND DIVIDEND INFORMATION” on page for ranges of historic market prices of Peoples common shares.

FPB has the right to terminate the Merger Agreement if, prior to the effective time of the Merger and during the time period specified in the Merger Agreement, the market value of Peoples common shares decreases by a certain percentage and also decreases by a certain percentage relative to the NASDAQ Bank Index; provided, however, that Peoples will have the right to prevent FPB’s termination by increasing the exchange ratio pursuant to a formula set forth in the Merger Agreement.

Peoples could experience difficulties in managing its growth and effectively integrating the operations of FPB and First Commonwealth Bank.

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

in standards, controls, procedures and policies. These factors could contribute to Peoples not fully achieving the expected benefits from the Merger.

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

The Merger Agreement contains a provision that, subject to certain limited exceptions, prohibits FPB from maintaining, initiating, soliciting or encouraging any inquiries or the making of any proposal that could reasonably be expected to lead to a competing proposal to acquire FPB. In addition, if FPB desires to terminate the Merger Agreement in favor of such competing proposal, the Merger Agreement provides that FPB must pay a \$1,800,000 termination fee to Peoples. These provisions of the Merger Agreement could discourage other companies from trying to acquire FPB even though such other

companies might be willing to offer greater value to FPB's shareholders than Peoples has offered in the Merger Agreement. The payment of the termination fee, if paid, also could have a material adverse effect on FPB's financial condition.

The fairness opinion obtained by FPB from its financial advisor will not reflect changes in circumstances subsequent to the date of the opinion.

ProBank Austin, the financial advisor to FPB, delivered a written fairness opinion to the board of directors of FPB dated October 29, 2018. The fairness opinion states that, as of the date of the opinion, the merger consideration, when considered together with the special cash distribution, was fair, from a financial point of view, to the holders of FPB common stock. However, the fairness opinion does not reflect changes that may occur or may have occurred after the date on which it was delivered, including changes to the operations and prospects of Peoples or FPB, changes in general market and economic conditions, or other changes. Should any such changes occur, it may alter the relative value of Peoples and FPB.

FPB shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management of the combined organization.

The Merger will result in FPB's shareholders having an ownership stake in the combined company that is smaller than their current stake in FPB. Upon completion of the Merger, we estimate that continuing Peoples shareholders will own % of the issued and outstanding common shares of the combined company, and former FPB shareholders will own % of the issued and outstanding common shares of the combined company. Consequently, FPB shareholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the Merger than they currently exercise over the management and policies of FPB.

Failure to complete the Merger could negatively impact the value of FPB common stock and future businesses and financial results of Peoples and FPB.

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

- FPB may be required, under certain circumstances, to pay Peoples a termination fee of \$1,800,000 under the Merger Agreement;

- Peoples and FPB will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, financial advisor and printing fees;

- under the Merger Agreement, FPB is subject to certain restrictions regarding the conduct of its business before completing the Merger, which may adversely affect its ability to execute certain of its business strategies; and matters relating to the Merger may require substantial commitments of time and resources by Peoples and FPB management, which could otherwise have been devoted to other opportunities that may have been beneficial to Peoples and FPB as independent companies, as the case may be.

In addition, if the Merger is not completed, FPB may experience negative reactions from its customers and employees. Some FPB and First Commonwealth Bank employees may resign and obtain other employment as a result of the potential Merger. FPB also could be subject to litigation related to any failure to complete the Merger.

If the Merger is not completed, FPB will have incurred substantial expenses without realizing the expected benefits of the Merger.

FPB has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the Merger Agreement, as well as the costs and expenses of filing, printing and mailing this proxy statement/prospectus. If the Merger is not completed, FPB would have to recognize these expenses without realizing the expected benefits of the Merger.

The Peoples common shares to be received by FPB shareholders upon completion of the Merger will have different rights from FPB shares.

Upon completion of the Merger, FPB shareholders will no longer be shareholders of FPB but will instead become shareholders of Peoples, and their rights as shareholders of Peoples will be governed by the Ohio Revised Code and by Peoples' Amended Articles of Incorporation and Regulations. The terms of Peoples' Amended Articles of Incorporation and Regulations are in some respects materially different than the terms of FPB's Articles of Incorporation, as amended, and Bylaws. See "COMPARISON OF CERTAIN RIGHTS OF FPB AND PEOPLES

SHAREHOLDERS” on page of this proxy statement/prospectus.

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Completion of the Merger is subject to many conditions and if these conditions are not satisfied or waived, the Merger will not be completed.

The respective obligations of Peoples and FPB to complete the Merger are subject to the fulfillment or written waiver of many conditions, including approval by the requisite vote of the FPB shareholders, receipt of requisite regulatory approvals, absence of orders prohibiting completion of the Merger, effectiveness of the registration statement of which this document is a part, the continued accuracy of the representations and warranties by both parties, and the performance by both parties of their covenants and agreements. See “THE MERGER AGREEMENT-Conditions to Consummation of the Merger” on page of this proxy statement/prospectus. These conditions to the consummation of the Merger may not be fulfilled and, accordingly, the Merger may not be completed. In addition, if the Merger is not completed by June 30, 2019, either Peoples or FPB, by a vote of a majority of the members of its entire board, may choose not to proceed with the Merger, or the parties can mutually decide to terminate the Merger Agreement at any time, before or after approval by the requisite vote of the FPB shareholders. In addition, Peoples or FPB may elect to terminate the Merger Agreement in certain other circumstances. See “THE MERGER AGREEMENT-Termination of the Merger Agreement” on page of this proxy statement/prospectus for a more complete description of these circumstances.

FPB will be subject to business uncertainties and contractual restrictions while the Merger is pending.

Uncertainty about the effect of the Merger on employees, customers, suppliers and vendors may have an adverse effect on the business, financial condition and results of operations of FPB, which could negatively affect Peoples’ and FPB’s combined business operations. These uncertainties may impair FPB’s ability to attract, retain and motivate key personnel, depositors and borrowers pending the consummation of the Merger, as such personnel, depositors and borrowers may experience uncertainty about their future roles following the consummation of the Merger.

Additionally, these uncertainties could cause customers (including depositors and borrowers), suppliers, vendors and others who deal with FPB to seek to change existing business relationships with FPB or fail to extend an existing relationship with FPB. In addition, competitors may target each party’s existing customers by highlighting potential uncertainties and integration difficulties that may result from the Merger.

The pursuit of the Merger and the preparation for the integration may place a burden on each company’s management and internal resources. Any significant diversion of management attention away from ongoing business concerns and any difficulties encountered in the transition and integration process could have a material adverse effect on each company’s business, financial condition and results of operations. Retention of certain employees by FPB also may be challenging while the Merger is pending, as certain employees may experience uncertainty about their future roles with Peoples after the Merger. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with FPB, FPB’s business could be harmed.

In addition, in the Merger Agreement FPB has agreed to operate its business in the ordinary course prior to closing and is restricted from taking certain actions without Peoples’ consent while the Merger is pending. These restrictions may, among other matters, prevent FPB from pursuing otherwise attractive business opportunities, selling assets, incurring indebtedness, engaging in significant capital expenditures in excess of certain limits set forth in the Merger Agreement, entering into other transactions or making other changes to FPB’s business prior to consummation of the Merger or termination of the Merger Agreement. These restrictions could have a material adverse effect on FPB’s business, financial condition and results of operations. Please see the section entitled “THE MERGER AGREEMENT-Conditions to Consummation of the Merger” beginning on page for a description of the restrictive covenants applicable to FPB.

Risks Related to the Combined Company if the Merger is Completed

The integration of Peoples Bank and First Commonwealth Bank will present significant challenges that may result in the combined business not operating as effectively as expected or in the failure to achieve some or all of the anticipated benefits of the transaction.

The benefits and synergies expected to result from the proposed transaction will depend in part on whether the operations of First Commonwealth Bank can be integrated in a timely and efficient manner with those of Peoples Bank. Peoples Bank may face challenges in consolidating its functions with those of First Commonwealth Bank, and integrating the organizations, procedures and operations of the two businesses. The integration of Peoples Bank and

First Commonwealth Bank will be complex and time-consuming, and the management of both companies will have to dedicate substantial time and resources to it. These efforts could divert management's focus and resources from other strategic opportunities and from day-to-day operational matters during the integration process. Failure to successfully integrate the operations of Peoples Bank and First Commonwealth Bank could result in the failure to fully achieve some of the anticipated benefits from the transaction, including cost savings and other operating efficiencies, and Peoples Bank may not be able to capitalize on the existing relationships of First Commonwealth Bank to the extent anticipated, or it may take longer, or be more difficult or expensive than expected to achieve these goals. This could have an adverse effect on the business, results of operations, financial condition or prospects of Peoples and/or Peoples Bank after the transaction.

Unanticipated costs relating to the Merger could reduce Peoples' future earnings per share.

Peoples and Peoples Bank believe that each has reasonably estimated the likely costs of integrating the operations of Peoples Bank and First Commonwealth Bank, and the incremental costs of operating as a combined company.

However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the combined company. If unexpected costs are incurred, the Merger could have a dilutive effect on Peoples' earnings per share. In other words, if the Merger is completed, the earnings per Peoples common share could be less than anticipated or even less than they would have been if the Merger had not been completed.

Estimates as to the future value of the combined company are inherently uncertain. You should not rely on such estimates without considering all of the information contained or incorporated by reference into this proxy statement/prospectus.

Any estimates as to the future value of the combined company, including estimates regarding the earnings per share of the combined company, are inherently uncertain. The future value of the combined company will depend upon, among other factors, the combined company's ability to achieve projected revenue and earnings expectations and to realize the anticipated synergies described in this proxy statement/prospectus, all of which are subject to the risks and uncertainties described in this proxy statement/prospectus, including these risk factors. Accordingly, you should not rely upon any estimates as to the future value of the combined company, whether made before or after the date of this proxy statement/prospectus by Peoples' and FPB's respective management or affiliates or others, without considering all of the information contained or incorporated by reference into this proxy statement/prospectus.

Risks Related to Peoples' Business

You should read and consider risk factors specific to Peoples' business that will also affect the combined company after the Merger, described in Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as updated by subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed by Peoples with the SEC and incorporated by reference into this document. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" on page of this proxy statement/prospectus.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this proxy statement/prospectus, including statements included or incorporated by reference in this proxy statement/prospectus, are not statements of historical fact and constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, and are intended to be protected by the safe harbor provided by the same. These statements are subject to risks and uncertainties, and include information about possible or assumed future results of operations of Peoples after the Merger is completed as well as information about the Merger. Words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “would,” “continue,” “should,” “may,” or similar expressions, or the negatives thereof, are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Many possible events or factors could affect the future financial results and performance of each of Peoples and FPB before the Merger or Peoples after the Merger, and could cause those results or performance to differ materially from those expressed in the forward-looking statements. The ability to predict results or the actual effects of the combined company’s plans and strategies is inherently uncertain. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those identified in the section of this proxy statement/prospectus titled “RISK FACTORS” beginning on page , as well as the following:

- the parties’ ability to promptly and effectively integrate the businesses of Peoples and FPB, and of First Commonwealth Bank and Peoples Bank , including unexpected transaction costs, including the costs of integrating operations, severance, professional fees and other expenses;
- the risk that the expected cost savings, synergies and other financial benefits from the Merger may not be realized or take longer than anticipated to be realized;
- lower than expected revenues or earnings following the Merger;
- higher than expected loan losses following the Merger;
- the diversion of management’s time on issues related to the Merger;
- greater than expected deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees;
- the risk that a regulatory approval that may be required for the proposed Merger is not obtained or is obtained subject to non-standard conditions that are not anticipated;
- the failure of FPB’s shareholders to adopt and approve the Merger Agreement;
- general economic conditions, either nationally, in Ohio or in certain MSAs in Ohio that are less favorable than expected resulting in, among other things, a deterioration of the quality of the combined company’s loan portfolio and the demand for its products and services;
- changes in interest rates, deposit flows, loan demand and real estate values;
- material changes in the value of Peoples common shares;
- changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- inaccuracy of Peoples’ or FPB’s management’s assumptions and estimates used in applying critical accounting policies;
- a decline in the sale price of Peoples common shares before the completion of the Merger, including as a result of the financial performance of Peoples, or of FPB, or more generally due to broader stock market movements and the performance of financial companies and peer group companies;
- inflation and, interest rate, securities market and monetary fluctuations;
- changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;
- the risk of litigation related to the Merger or the exercise of dissenters’ rights and related costs and expenses;
- an increase in competitive pressures among depository and other financial institutions that affects pricing, spending, third-party relationships and revenues;
- changes in laws and regulations (including laws and regulations concerning taxes, banking and securities) with which Peoples and FPB must comply;
- the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve;

legislation affecting the financial services industry as a whole, and/or Peoples and its subsidiaries, individually or collectively;
governmental and public policy changes;

Peoples' inability to integrate the FPB acquisition and any future acquisition targets or increased difficulty, time-consumption or cost than expected in doing so; and the impact on Peoples' businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under "Risk Factors" and those discussed in the filings of Peoples with the SEC that are incorporated by reference into this proxy statement/prospectus, which are available online at www.sec.gov. See "WHERE YOU CAN FIND MORE INFORMATION" at the beginning of this document.

Because these forward-looking statements are subject to assumptions and uncertainties, Peoples' and FPB's actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference into this proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the Merger or other matters addressed in this proxy statement/prospectus, and attributable to Peoples or FPB or any person acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained or referred to in this "Cautionary Statement about Forward-Looking Statements." Peoples and FPB undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

THE SPECIAL MEETING OF SHAREHOLDERS OF FPB

This section contains information about the FPB special meeting at which FPB shareholders will have the opportunity to vote on the adoption and approval of the Merger Agreement. The FPB board of directors is mailing this proxy statement/prospectus to you, as an FPB shareholder, on or about _____, 2019. Together with this proxy statement/prospectus, the FPB board of directors also is sending to you a notice of the FPB special meeting and a form of proxy that the FPB board of directors is soliciting for use at the FPB special meeting and at any adjournments or postponements of the FPB special meeting.

Time, Date and Place

The FPB special meeting of shareholders is scheduled to be held at _____, local time, on _____, 2019, at _____, Prestonsburg, Kentucky 41653, including any adjournments of the special meeting.

Matters to be Considered

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

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

Recommendation of the FPB Board of Directors

The board of directors of FPB believes that the Merger with Peoples is in the best interests of FPB shareholders and recommends that you vote (1) "FOR" the adoption and approval of the Merger Agreement and (2) "FOR" the proposal to adjourn the special meeting of FPB shareholders, if necessary, to solicit additional proxies. See "THE MERGER -Recommendation of the FPB Board of Directors."

Record Date; Shares Outstanding and Entitled to Vote

The board of directors of FPB has fixed the close of business on _____, 2019, as the record date for determining the FPB shareholders who are entitled to notice of and to vote at the FPB special meeting of shareholders. Only holders of FPB common stock at the close of business on the record date will be entitled to notice of and to vote at the FPB special meeting.

As of the close of business on _____, 2018, there were 80,362 shares of FPB common stock outstanding and entitled to vote at the special meeting. As of the same date, there were no shares of FPB preferred stock outstanding. The FPB common stock were held of record by approximately _____ shareholders. Each share of FPB common stock entitles the holder to one vote on all matters properly presented at the special meeting.

Votes Required; Quorum

Your vote is important. FPB's Articles of Incorporation, as amended, require the affirmative vote of the holders of at least a majority of FPB's common stock outstanding and entitled to vote at the FPB special meeting in order to adopt and approve the Merger Agreement. Approval of an adjournment of the special meeting requires the affirmative vote of the holders of a majority of FPB common stock represented, in person or by proxy, at the special meeting.

A quorum, consisting of the holders of a majority of the outstanding FPB common stock, must be present in person or by proxy at the FPB special meeting before any action, other than the adjournment of the special meeting, can be taken. Properly executed proxy cards marked "ABSTAIN" and broker non-votes will be counted for purposes of determining whether a quorum is present.

The FPB board of directors does not expect any matter other than the adoption and approval of the Merger Agreement and, if necessary, the approval of the adjournment of the special meeting to solicit additional proxies, to be brought before the FPB special meeting.

Share Ownership of Directors, Officers and Certain Shareholders; Voting Agreement

As of the record date, the directors and executive officers of FPB and their affiliates collectively owned _____ shares of FPB common stock, or approximately _____ % of FPB's outstanding shares.

On the date of the execution of the Merger Agreement, those directors owning shares of FPB common stock along with Elizabeth Lambert, vice president of FPB, and Mr. Burl Wells Spurlock II, entered into a voting agreement with Peoples pursuant to which they agreed, subject to certain terms and conditions, to vote all of their shares in favor of the adoption and approval of the Merger Agreement. As of _____, 2018, these individuals owned an aggregate of 29,549 shares of FPB common stock, an amount equal to approximately 37% of the outstanding FPB common stock. When

considering the FPB board of directors' recommendation that you vote in favor of the approval of the Merger Agreement, you should be aware that, in addition to their interests as shareholders of FPB, the directors and executive officers of FPB have financial interests in the

Merger that may be different from, or in addition to, the interests of shareholders of FPB. See “THE MERGER-Interests of FPB’s Directors and Officers in the Merger” beginning on page .

Solicitation and Revocation of Proxies

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

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

filing a written notice of revocation with the President of FPB, at 311 N. Arnold Avenue, Prestonsburg, Kentucky 41653;

executing and returning another proxy card with a later date; or

attending the special meeting and either giving notice of revocation in person, or voting by ballot at the special meeting.

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

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

PROPOSALS SUBMITTED TO FPB SHAREHOLDERS

FPB Merger Proposal

As discussed throughout this proxy statement/prospectus, FPB is asking its shareholders to adopt and approve the Merger Agreement. FPB shareholders should carefully read this document in its entirety for more detailed information regarding the Merger Agreement and the Merger. In particular, shareholders are directed to, and encouraged to read carefully in its entirety, the copy of the Merger Agreement attached as Annex A to this proxy statement/prospectus.

Vote Required for Approval

The affirmative vote of holders of at least a majority of FPB common stock outstanding and entitled to vote at the special meeting is required to approve the Merger Agreement. Abstentions will have the same effect as a vote "AGAINST" the approval of the Merger Agreement.

Recommendation of the FPB Board of Directors

THE FPB BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF THE MERGER PROPOSAL.

FPB Adjournment Proposal

The FPB special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, the solicitation of additional proxies if there are insufficient votes at the time of the FPB special meeting to approve and adopt the Merger Agreement. If, at the time of the FPB special meeting, the number of common shares of FPB present or represented and voting in favor of the Merger Agreement proposal is insufficient to approve and adopt the Merger Agreement, FPB intends to move to adjourn the FPB special meeting in order to enable the FPB board of directors to solicit additional proxies for approval of the proposal. In that event, FPB will ask the FPB shareholders to vote only upon the adjournment proposal and not the merger proposal.

In the FPB adjournment proposal, FPB is asking its shareholders to authorize the holder of any proxy solicited by the FPB board of directors to vote in favor of granting discretionary authority to the proxy holders to adjourn the FPB special meeting to another time and place for the purpose of soliciting additional proxies. If the FPB shareholders approve the adjournment proposal, FPB could adjourn the FPB special meeting and any adjourned session of the FPB special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from FPB shareholders who have previously voted. If, after the adjournment, a new record date is fixed for the adjourned special meeting, notice of the adjourned special meeting will be given to each shareholder of record entitled to vote at the special meeting.

Vote Required for Approval

The affirmative vote of holders of at least a majority of votes cast at the FPB special meeting is required to approve the proposal to adjourn the special meeting. Abstentions will have no effect on the adjournment proposal.

Recommendation of the FPB Board of Directors

THE FPB BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF THE ADJOURNMENT PROPOSAL.

THE MERGER

The Proposed Merger

The Merger Agreement provides for the merger, upon receipt of the required regulatory approvals, of FPB with and into Peoples, with Peoples as the surviving entity (the “Merger”). Immediately following the Merger, First Commonwealth Bank will be merged with and into Peoples Bank, with Peoples Bank as the surviving bank (referred to herein in as the “subsidiary bank merger”). The Merger Agreement is attached to this proxy statement/prospectus as Annex A and is incorporated in this proxy statement/prospectus by reference. You are encouraged to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

Consideration to be Received in the Merger

Under the terms of the Merger Agreement, if the Merger is completed, FPB shareholders will be entitled to receive 12.512 Peoples common shares for each share of FPB common stock they own at the effective time of the Merger. In addition, the Merger Agreement provides that, immediately prior to the effective time of the Merger, FPB will pay its shareholders a one-time special cash distribution of \$140.30 per share or approximately \$11.275 million in the aggregate.

Background of the Merger

FPB’s board of directors and senior management team regularly review and evaluate FPB’s strategic plan as part of their ongoing efforts to provide long-term value to FPB’s shareholders, taking into account economic, competitive, regulatory and other conditions, and historical and projected industry trends and developments. As part of this review, the board of directors and senior management team also consider and evaluate options and alternatives designed to enhance shareholder value, including, from time to time, potential strategic alternatives.

Starting in 2014, FPB began having regular dialogue with ProBank Austin, an investment banking firm, about the community bank mergers and acquisitions environment in eastern Kentucky.

During FPB’s 2014 strategic planning process, the board recognized the aging nature of the shareholder base and noted the majority shareholder family’s expectations and objectives for dividends and liquidity. About that time, FPB was introduced to Peoples, and Peoples expressed interest in acquiring FPB.

In 2014, and again in early 2015, Peoples and FPB engaged in discussions surrounding a potential business combination transaction. These discussions did not result in any informal or formal agreement; however, the principals of both organizations developed greater familiarity and mutual respect for each other and their respective companies. Over the ensuing years, Burl Wells Spurlock, President, Chair & Chief Executive Officer of FPB, Greg Wilson, President and Chief Executive Officer of First Commonwealth Bank, and Charles W. Sulerzyski, President and Chief Executive Officer of Peoples, maintained periodic communication, and continued to discuss the possible combination of FPB with Peoples.

Discussions towards a transaction accelerated in July 2018 following a meeting between Mr. Wilson and Mr. Sulerzyski. FPB requested the assistance of ProBank Austin to evaluate a possible transaction with Peoples. ProBank Austin prepared an analysis in early August 2018 that estimated a control level valuation range of \$41 million to \$45 million for FPB based on June 30, 2018 financial data. After reviewing the analysis, FPB requested ProBank Austin to initiate formal discussions with Peoples towards a possible business combination.

On August 22, 2018, a representative of ProBank Austin reached out to Mr. Sulerzyski to discuss how best to move the process forward. On August 28, 2018, ProBank Austin provided preliminary information to Peoples to begin its evaluation. On September 4, 2018, FPB and Peoples executed a Mutual Confidentiality/Non-Disclosure Agreement. ProBank Austin representatives then exchanged information with representatives of Raymond James & Associates, Inc., as financial advisor to Peoples. On or around September 20, 2018, ProBank Austin set up a virtual data room to allow FPB to begin populating documents to assist Peoples’ and its advisors with the due diligence process.

After extensive negotiation, FPB and Peoples reached a tentative verbal agreement on September 24, 2018, as to the substantive financial terms of a possible transaction, and agreed to meet at Peoples’ main office in Marietta on October 1, 2018. Peoples initiated its formal due diligence process and communicated its interest in reaching a formal definitive agreement and deal announcement by October 29, 2018.

FPB formally engaged ProBank Austin as its exclusive financial advisor on October 3, 2018, to act as financial advisor to FPB in connection with a potential sale. FPB selected ProBank Austin because of ProBank Austin’s

qualifications and experience and familiarity with the community bank business model, environment and industry as a whole. ProBank Austin continued to work with FPB in facilitating Peoples' due diligence in early October. Beginning on or about October 19, 2018 and through October 29, 2018, with assistance from ProBank Austin and Stoll Keenon Ogden PLLC, its legal counsel, FPB began negotiating the terms of a definitive merger agreement with Peoples and its

counsel. As part of the negotiations, FPB's legal counsel discussed with legal counsel of Peoples various key points, including that the definitive merger agreement provide a fiduciary out for FPB's board of directors if a superior proposal was received.

On October 26, 2018, the FPB and First Commonwealth Bank boards of directors met at a regularly scheduled joint meeting to discuss the proposed merger and related matters. A substantially final form of the definitive merger agreement was also made available for review to FPB's directors on or about October 26, 2018.

The FPB board of directors met again on October 29, 2018 to review the execution version of the merger agreement and review the final fairness opinion letter. At the meeting, FPB's senior management team and representatives of FPB's financial advisor and legal counsel discussed the proposed merger and merger agreement at length with FPB's board of directors. Additionally, FPB's legal counsel led a discussion regarding the board's fiduciary duties in the context of a merger involving FPB in which FPB shareholders would receive a combination of stock and cash consideration for their shares. The board was updated on the acquisition process that led to the proposed merger and the negotiations with Peoples. At this meeting, ProBank Austin reviewed the financial aspects of the proposed merger and rendered to FPB's board an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by ProBank Austin as set forth in its opinion, the merger consideration to be received by the holders of FPB common stock in the merger, including the special cash distribution, was fair, from a financial point of view, to the holders of FPB common stock.

Thereafter, the board engaged in a detailed and thorough discussion and analysis of the merger proposal and proposed merger agreement, during which discussion and analysis all board members were actively engaged and asked questions of and received answers from FPB's senior management team, financial advisor and legal counsel. Following such detailed discussions and careful deliberation, the FPB board of directors unanimously adopted resolutions (1) determining that it is in the best interest of FPB and its shareholders to enter into the merger agreement, (2) adopting the merger agreement and approving FPB's execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated by the merger agreement, (3) recommending that the shareholders of FPB approve the Merger Agreement, and (4) directing that the Merger Agreement be submitted to FPB's shareholders for approval at a meeting of FPB's shareholders duly held for such purpose.

After the board meeting, FPB and Peoples executed the Merger Agreement. On October 29, 2018, after close of the market, the transaction was publicly announced through a joint press release announcing the parties' entry into the Merger Agreement.

FPB's Reasons for the Merger and Recommendation of the FPB Board of Directors

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

In its deliberations and in making its determination, FPB's board considered many factors, including, without limitation, the following, which are not presented in order of priority:

- the form and amount of merger consideration and the ability of FPB's shareholders to participate in the future performance of the combined company;
- the financial analysis prepared by ProBank Austin and ProBank Austin's opinion dated as of October 29, 2018 that the merger consideration, together with the special cash distribution, was fair, from a financial point of view, to the holders of FPB common stock;
- the quarterly dividend historically paid by Peoples;
- the belief of FPB's board that Peoples is a high-quality financial services company with a similar approach to customer service and increasing shareholder value;
- the potential ability of the combined company to increase shareholder value and to create opportunities for enhanced earnings and dividends;
- the significantly increased stock liquidity that would be created for FPB's shareholders;
- the continuing consolidation in the financial institutions industry;
- the benefits of doing a transaction now versus risks and uncertainties of waiting to do so;

the size of the resulting institution, which would permit more efficient competition in a highly competitive industry;
increased regulatory burdens on financial institutions;
future uncertainties in the regulatory and economic climate;

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- succession planning concerns for senior management positions at FPB and First Commonwealth Bank;
- the current and prospective business and economic environment in which FPB and Peoples operate, including local and regional economic conditions;
- the similarities of the markets served by FPB and Peoples;
- the business, earnings, operations, financial condition, capital levels and asset quality of FPB and Peoples;
- Peoples' intention to retain First Commonwealth Bank's existing locations and the belief of the FPB board that Peoples will retain many of First Commonwealth Bank's employees, enabling First Commonwealth Bank's customers to continue to interact with many of the same employees at the banking locations with which they are familiar;
- the increased lending opportunities in the communities served by FPB as a result of the combined bank's increased lending limits; and
- the effect of the Merger on FPB's employees, including the prospects for continued employment and the other benefits agreed to be provided by Peoples to FPB's employees.

The following negative factors were also considered:

- the loss of autonomy associated with being an independent financial institution;
- the possibility that the Merger will not be consummated, resulting in negative effects on FPB from costs incurred, the diversion of management and employee attention, employee attrition and the potential effect on business and customer relationships;
- the lack of assurance that all conditions to closing will be satisfied, including the risks of failure to get regulatory or shareholder approval;
- possible hesitation of First Commonwealth Bank's customers to engage with a larger financial institution;
- the restrictions on the conduct of FPB's and First Commonwealth Bank's business prior to completion of the Merger, which could have a negative effect on FPB's financial condition and results of operations;
- the possibility of litigation in connection with the Merger;
- the lack of a fairness opinion as of the time of the closing of the Merger;
- changes to the value of the stock portion of the merger consideration that will occur prior to closing due to changes in the price of Peoples common shares;
- the fact that the market price of Peoples common shares after the Merger may be affected by factors different from those that affect FPB's and Peoples' market prices currently; and
- the reduced share ownership percentage and voting and management control that FPB's shareholders will have in the combined company.

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

The board of directors of FPB approved the Merger Agreement by a unanimous vote of the directors. The board believes that the Merger is in the best interests of FPB and its shareholders, and, as a result, the directors unanimously recommend that FPB's shareholders vote "FOR" the adoption and approval of the Merger Agreement and "FOR" the approval of the adjournment of the special meeting to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt and approve the Merger Agreement.

Peoples' Reasons for the Merger

Peoples believes that the Merger is in the best interests of Peoples and its shareholders. In reaching this determination, the Peoples board of directors consulted with senior management, Peoples' financial advisor and legal counsel, and considered the projected pro forma impact of the Merger and a number of other factors, including, without limitation, the following, which are not presented in order of priority:

- the long-term interests of Peoples and its shareholders, as well as the interests of its employees, customers, creditors and the communities in which Peoples operates;
- the enhanced shareholder value that is expected to result from the Merger for Peoples' shareholders;
- the compatibility of the cultures of Peoples and FPB, particularly with respect to meeting local banking needs and fostering strong community ties;
- an enhanced market share in Kentucky with increased high-quality, low-cost core deposits;
- the Merger will expand and enhance Peoples' existing franchise in eastern Kentucky market;
- the anticipated operating efficiencies, cost savings, new branding and opportunities for revenue enhancements of the combined bank following the completion of the Merger, and the likelihood that they would be achieved after the Merger;
- the Merger should assist Peoples in maintaining its status as an independent holding company and Peoples Bank as a community bank; and
- the ability of Peoples to maintain its strong capital position that will allow the combined organization to expand within its new markets.

While management of Peoples believes that revenue opportunities will be achieved and costs savings will be obtained following the Merger, Peoples has not quantified the amount of enhancements or projected the areas of operation in which such enhancements will occur.

All business combinations, including the Merger, also include certain risks and disadvantages. The material potential risks and disadvantages to Peoples and its shareholders that Peoples' board of directors and management identified and the board of directors considered include the following material matters, which are not presented in order of priority:

- potential run-off of deposits and loans following announcement and/or the closing of the Merger;
- the potential for diversion of management attention during the period prior to the completion of the Merger and after the Merger while merging First Commonwealth Bank's business with Peoples Bank;
- the costs to be incurred in connection with the Merger, including the transaction expenses arising from the Merger Agreement and the Merger;
- the risk that projected earnings, tangible book value increases and/or cost savings will not materialize or will be less than expected;
- the likelihood that Peoples common shares may trade down post-announcement and/or post-Merger;
- the risk that FPB's loans and other items were not appropriately valued; and
- the risk that FPB terminates the Merger Agreement by reason of a superior competing proposal.

In view of the variety of factors considered in connection with its evaluation of the Merger, the Peoples board did not find it useful to and did not attempt to quantify, rank or otherwise assign relative weights to the factors it considered. Further, individual directors may have given differing weights to different factors. In addition, the Peoples board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Rather, the board conducted an overall analysis of the factors it considered material, including thorough discussions with, and questioning of, Peoples' management. After deliberating with respect to the proposed merger with FPB, considering, among other things, the factors discussed above, the Peoples board of directors approved the Merger Agreement and the Merger with FPB and declared the Merger advisable.

There can be no certainty that the above benefits of the merger anticipated by the Peoples board of directors will occur. Actual results may vary materially from those anticipated. For more information on the factors that could affect actual results, see "CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

Opinion of FPB's Financial Advisor

On October 3, 2018, FPB retained ProBank Austin to serve as exclusive financial advisor in connection with evaluating and implementing a potential transaction involving the sale or merger of FPB. ProBank Austin is an investment banking and consulting firm specializing in community bank mergers and acquisitions. FPB selected ProBank Austin as its financial advisor on the basis of its experience and expertise in representing financial institutions in similar transactions and its familiarity with FPB.

In its capacity as financial advisor, ProBank Austin provided a fairness opinion (the "ProBank Austin Opinion") to the board of directors of FPB in connection with the Merger. The ProBank Austin Opinion dated October 29, 2018 is based on and subject to various factors, assumptions and limitations as set forth in such opinion, including ProBank Austin's experience as investment bankers. The ProBank Austin Opinion states the merger consideration and special cash distribution, as described and set forth in the Merger Agreement, are fair, from a financial point of view, to the shareholders of FPB common stock.

The full text of the ProBank Austin Opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in rendering its opinion, is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference. The summary of the ProBank Austin Opinion set forth herein is qualified in its entirety by reference to the full text of the opinion.

ProBank Austin's opinion speaks only as of the date of the opinion. The ProBank Austin Opinion was for the information of, and was directed to, the FPB board of directors (in its capacity as such) in connection with its consideration of the financial terms of the Merger. The opinion addressed only the fairness, from a financial point of view, of the merger consideration and special cash distribution to be received by FPB shareholders. It did not address the underlying business decision of FPB to engage in the Merger or enter into the Merger Agreement or constitute a recommendation to the FPB board of directors in connection with the Merger, and it does not constitute a recommendation to any holder of FPB common stock or any shareholder of any other entity as to how to vote in connection with the Merger proposal or any other matter.

The ProBank Austin Opinion was reviewed and approved by the fairness opinion committee of ProBank Austin. ProBank Austin expressed no view or opinion as to any of the legal, accounting and tax matters relating to the Merger and any other transactions contemplated by the Merger Agreement or any terms or other aspects of the Merger Agreement or the Merger. ProBank Austin expressed no opinion as to the fairness of any consideration paid in connection with the Merger to the holders of any other class of securities, creditors or other constituencies of FPB or as to the underlying decision by FPB to engage in the Merger or enter into the Merger Agreement. ProBank Austin did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the Merger by FPB officers, directors or employees, or class of such persons, relative to the compensation to be received in the Merger by the holders of FPB common stock.

The description of the opinion set forth below is qualified in its entirety by reference to the ProBank Austin Opinion.

You should consider the following when reading the discussion of ProBank Austin's Opinion in this document:

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

• ProBank Austin expressed no opinion as to the price at which FPB's or Peoples' common stock would actually trade at any given time;

• ProBank Austin's opinion does not address the relative merits of the Merger and the other business strategies considered by the FPB board of directors, nor does it address the board's decision to proceed with the Merger; and

• ProBank Austin's opinion rendered in connection with the Merger does not constitute a recommendation to any FPB shareholder as to how he or she should vote their shares.

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is, therefore, not readily susceptible to partial analysis or summary description. In performing its analyses, ProBank Austin made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of FPB and Peoples and may not be realized. Any estimates contained in ProBank Austin's analyses are not

necessarily predictive of future results or values, and may be significantly more or less favorable than the estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Unless specifically noted, none of the analyses performed by ProBank Austin was assigned a greater significance by ProBank Austin than any other. The relative importance or weight given to these analyses is not affected by the order of the analyses or the corresponding results. The summaries of financial analyses include information presented in tabular format. The tables should be read together with the text of those summaries.

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

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

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

all material governmental, regulatory and other consents and approvals necessary for the consummation of the Merger would be obtained without any adverse effect on FPB, Peoples or on the anticipated benefits of the Merger; and FPB and Peoples have provided all of the information that might be material to ProBank Austin in its review.

In connection with its opinion, ProBank Austin reviewed:

the Agreement dated October 29, 2018;

certain publicly available financial statements and other historical financial information of FPB and Peoples that it deemed relevant;

the historical financial performance, current financial position, budgets and management forecasts, and general prospects of FPB, as discussed with executive management of FPB;

the estimated pro forma financial impact of the Merger to Peoples' financial metrics, based on assumptions (including without limitation the cost savings expected to be derived from the Merger and the transaction-related expenses expected in the Merger) prepared by ProBank Austin and reviewed with management of FPB, Peoples and its advisors;

publicly reported historical stock price and trading activity for Peoples' common stock, including an analysis of certain financial and stock information of certain other publicly traded companies deemed comparable to Peoples;

comparison of financial performance metrics between FPB's subsidiary bank, First Commonwealth Bank and banks deemed comparable to First Commonwealth Bank;

the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available, deemed comparable to the Merger;

the current market environment generally and the banking environment in particular; and

such other information, financial studies, analyses and investigations, financial, economic, and market criteria as it considered relevant.

ProBank Austin also discussed with certain members of senior management of FPB the business, financial condition, results of operations and prospects of FPB, including certain operating, regulatory and other financial matters.

ProBank Austin held similar discussions with certain members of senior management of Peoples regarding the business, financial condition, results of operations and prospects of Peoples.

The following is a summary of the material factors considered and analyses performed by ProBank Austin in connection with its opinion dated October 29, 2018. The summary does not purport to be a complete description of the

analyses performed by ProBank Austin. Capitalized terms used herein without definition shall have the meanings given to such terms in the Merger Agreement.

Summary of Financial Terms of Merger Agreement. FPB has 80,362 shares of common stock outstanding. The financial terms of the Merger Agreement provide for each share of FPB common stock to be exchanged for 12.512 shares of Peoples common stock (the “Exchange Ratio”). In addition, each share of FPB common stock shall receive a special distribution of \$140.30 per share in cash contingent upon and immediately prior to the closing of the Merger (the “special cash distribution”). Based on the volume weighted average price of Peoples Common Shares for the 20 trading days ending on October 26, 2018, the value of transaction is approximately \$45.4 million, consisting of \$34.125 million in stock and \$11.275 million in cash.

The implied combined value of the merger consideration and special cash distribution of \$45.4 million equals \$564.94 per share, based on 80,362 shares of FPB outstanding common stock. The sum of the merger consideration and special cash distribution represents:

- 61 percent of FPB’s September 30, 2018 tangible equity of \$28.2 million;
- 4.0 times FPB’s twelve-month period ending September 30, 2018 stated net income of \$3.2 million; and
- 14.8 times FPB’s twelve-month period ending September 30, 2018 normalized net income of \$3.1 million (normalized net income excludes security gains and is tax-adjusted).

First Commonwealth Bank Peer Analysis. ProBank Austin compared selected results of First Commonwealth Bank’s (bank-level) operating performance to that of 26 selected financial institutions headquartered in Kentucky with total assets between \$250 million and \$500 million and last twelve-month ROAA greater than zero. ProBank Austin considered this group of financial institutions comparable to First Commonwealth Bank on the basis of asset size and geographic location.

This peer group consisted of the following banks:

Bank Name	City	Bank Name	City
1st Trust Bank, Inc.	Hazard	FNB Bank, Inc.	Mayfield
American Bank & Trust Co., Inc.	Bowling Green	Hancock Bank and Trust Co.	Hawesville
Bank of Lexington, Inc.	Lexington	Home Federal Bank Corporation	Middlesboro
Bank of the Bluegrass & Trust Co.	Lexington	Lincoln National Bank	Hodgenville
Citizens Deposit Bank & Trust	Vanceburg	Peoples B&T Co. Madison Cnty	Berea
Citizens First Bank, Inc.	Bowling Green	Peoples Bank of Kentucky, Inc.	Flemingsburg
Citizens NB of Somerset	Somerset	Peoples Exchange Bank	Winchester
Cumberland Valley NB&T Co.	London	River City Bank, Inc.	Louisville
Field & Main Bank	Henderson	Springfield State Bank	Springfield
First Kentucky Bank, Inc.	Mayfield	Town & Country B&T Co.	Bardstown
First National Bank of Grayson	Grayson	United Cmnty Bank of West KY	Morganfield
First State Bank of the Southeast	Middlesboro	United Cumberland Bank	Whitley City
First United Bank and Trust Co.	Madisonville	Wilson & Muir Bank & Trust Co.	Bardstown

ProBank Austin noted the following selected financial measures for the peer group as compared to First Commonwealth Bank:

	Peer Financial Performance ⁽¹⁾			First Commonwealth Bank ⁽¹⁾
	25 th Pct	Median	75 th Pct	
Total Assets (\$millions)	\$288	\$312	\$410	\$311
LTM PTPP (FTE) / Average Assets	1.18%	1.53%	1.74%	1.26%
LTM Return on Average Assets ⁽²⁾	0.69%	0.92%	1.13%	0.92%
LTM Return on Average Equity ⁽²⁾	6.02%	8.61%	9.85%	8.61%
NPAs / Total Assets	1.30%	0.75%	0.27%	1.12%
Tangible Equity/Tangible Assets	9.11%	10.11%	11.97%	9.54%

LTM = Last 12 Months

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

FTE = fully-tax equivalent

ROAA = Return on Average Assets

ROAE = Return on Average Equity

NPAs = Nonperforming assets, defined as loans 90 or more days past due, nonaccrual loans, and Other Real Estate Owned. Restructured loans are not included.

⁽¹⁾ Peer financial performance and First Commonwealth Bank's performance for the 12-month period ending June 30, 2018.

⁽²⁾ Peer and First Commonwealth Bank's performance was tax-adjusted for those institutions which are S-Corporations.

This comparison indicated that First Commonwealth Bank approximated the median of the peer group in terms of ROAA and ROAE and was below the median of the peer group in terms of PTPP earnings to average assets. First Commonwealth Bank's nonperforming asset levels were higher compared to the median of the peer group. First Commonwealth Bank's tangible equity to asset ratio was between the 25th percentile and median of the peer group. FPB Control-Level Valuation. In August 2018, ProBank Austin developed control-level indications of value for FPB using both an income approach and a market approach based on June 30, 2018 financial information. ProBank Austin's indications of value under the income approach ranged from \$43.7 million to \$45.6 million, while multiple indications of value were developed using the market approach, ranging from \$39.8 million to \$47.5 million. Based on its analysis, ProBank Austin advised FPB that a control-level valuation range of between \$41 million and \$45 million would be a reasonable expectation in the event the company solicited acquisition proposals from one or more third parties.

Comparable Transaction Analysis. ProBank Austin compared the financial performance of certain selling institutions and the prices paid in selected bank acquisition transactions to FPB's financial performance and the implied transaction multiples being paid by Peoples for FPB. Specifically, ProBank Austin reviewed certain information relating to select bank and thrift transactions in Kentucky announced between January 1, 2016 and October 19, 2018. Ten (10) transactions were included in this group based on the selected criterion. The following lists the Kentucky transactions reviewed by ProBank Austin:

Kentucky Guideline M&A Transactions

Buyer Name	Seller Name	Seller City	Announcement Date
City Holding Co.	Farmers Deposit Bancorp	Cynthiana	07/11/18
City Holding Co.	Poage Bankshares Inc.	Ashland	07/11/18
First Capital Bancorp Inc.	Frst Natl Hldg Co of Jackson	Jackson	05/23/18
German American Bancorp	First Security Inc.	Owensboro	05/22/18
WesBanco Inc.	Farmers Capital Bank Corp.	Frankfort	04/19/18
Monticello Bankshares Inc.	Bluegrass Bancorp Inc.	Danville	02/15/18
Investor group	Bancorp of Lexington Inc.	Lexington	11/14/17
MainSource Finl Group	FCB Bancorp Inc	Louisville	12/19/16
South Central Bcschs of KY	Kentucky National Bancorp	Elizabethtown	07/26/16
Monticello Bankshares Inc.	Banco Harlan Inc.	Harlan	06/21/16

In addition, ProBank Austin reviewed certain information relating to select bank and thrift transactions in Kentucky and West Virginia involving selling institutions with assets between \$100 million and \$500 million, headquartered in counties having population less than 100,000, and announced between January 1, 2016 and October 19, 2018. Seven (7) transactions were included in this group based on the selected criterion, as follows:

Kentucky/West Virginia Guideline M&A Transactions

Buyer Name	Seller Name	Seller City	Seller State	Announcement Date
Summit Financial Group	Peoples Bankshares Inc.	Mullens	WV	07/24/18
City Holding Co.	Farmers Deposit Bancorp	Cynthiana	KY	07/11/18
City Holding Co.	Poage Bankshares Inc.	Ashland	KY	07/11/18
First Capital Bancorp Inc.	Frst Natl Hldg Co of Jackson	Jackson	KY	05/23/18
CB Financial Services	First WV Bancorp Inc.	Wheeling	WV	11/16/17
Monticello Bankshares	Banco Harlan Inc.	Harlan	KY	06/21/16
Summit Financial Group	First Century Bankshares	Bluefield	WV	06/01/16

The following table highlights the 25th percentile, median and 75th percentile results of the guideline M&A transactions in comparison to the Merger:

Seller's Financial Performance	Kentucky			Kentucky/West Virginia			FPB ⁽¹⁾
	25 th Pct.	Median	75 th Pct.	25 th Pct.	Median	75 th Pct.	
Total Assets (\$millions)	\$124	\$ 201	\$ 505	\$127	\$ 140	\$ 377	\$ 310
Tangible Equity / Tangible Assets	10.23%	11.13%	12.67%	10.25%	11.05%	13.80%	9.17%
Return on Average Assets	-0.07%	0.36%	0.72%	0.04%	0.25%	0.49%	0.98%
Return on Average Equity	-0.48%	2.28%	6.63%	0.57%	2.05%	3.23%	9.38%
Efficiency Ratio	91.6%	87.1%	75.7%	91.1%	87.1%	81.0%	73.2%
Nonperforming Assets ⁽²⁾ / Assets	2.34%	1.94%	1.20%	2.54%	1.93%	1.03%	0.90%

Deal Transaction Multiples

Price/Tangible Book Value Ratio	100%	141%	161%	98%	122%	144%	161%
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Price/LTM Earnings	21.1	24.2	33.4	24.7	32.8	36.9	14.8
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LTM = Last twelve month

Note: M&A Guideline transactions financial performance based on most recent 12-month data as of the deal announcement date.

(1) FPB's financial performance and deal transaction multiples based on tax-adjusted normalized data ending September 30, 2018.

(2) Nonperforming assets include nonaccrual loans and leases, restructured loans and leases, and other real estate owned.

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The median ROAA ratios of the selling banks in the Kentucky and Kentucky/West Virginia guideline transactions were 0.36 percent and 0.25 percent, respectively compared to 0.98 percent for FPB (normalized to exclude security gains and tax-adjusted). FPB's normalized ROAE of 9.38 percent was above both the Kentucky and Kentucky/West Virginia's 75th percentile of 6.63 percent and 3.23 percent, respectively. The nonperforming assets ("NPA") to asset ratio of FPB measured 0.90 percent and was more favorable than the 75th percentile of both the Kentucky and the Kentucky/West Virginia guideline peers of 1.20 percent and 1.03 percent, respectively. The indicated price to tangible book ratio being paid by Peoples for FPB of 161 percent approximates the 75th percentile of the Kentucky guideline peer and is above the 75th percentile of the Kentucky/West Virginia guideline peer of 144 percent. The implied price-to-normalized earnings multiple for the FPB transaction with Peoples of 14.8 times is lower than both the Kentucky 25th percentile of 21.1 times and the Kentucky/West Virginia 25th percentile of 24.7 times.

Peoples Financial Performance and Market Trading Data versus Peer. ProBank Austin compared selected results of Peoples' operating and stock performance to that of 29 publicly traded banks and thrifts that are headquartered in the Midwest region with assets between \$2.5 billion and \$8.0 billion. This peer group consisted of the following companies:

Name	State	Symbol	Name	State	Symbol
1st Source Corp.	IN	SRCE	Lakeland Financial Corp.	IN	LKFN
Byline Bancorp Inc.	IL	BY	Mercantile Bank Corp.	MI	MBWM
Community Trust Bancorp	KY	CTBI	Merchants Bancorp	IN	MBIN
Enterprise Fncl Services	MO	EFSC	Meta Financial Group Inc.	SD	CASH
Equity Bancshares Inc.	KS	EQBK	Midland States Bancorp	IL	MSBI
First Busey Corp.	IL	BUSE	MidWestOne Fncl Grp	IA	MOFG
First Defiance Financial	OH	FDEF	Nicolet Bankshares Inc.	WI	NCBS
First Financial Corp.	IN	THFF	Old Second Bancorp Inc.	IL	OSBC
First Internet Bancorp	IN	INBK	Park National Corp.	OH	PRK
First Mid-Illinois Bncshrs	IL	FMBH	QCR Holdings Inc.	IL	QCRH
German American Bancorp	IN	GABC	Republic Bancorp Inc.	KY	RBCA.A
Great Southern Bancorp Inc.	MO	GSBC	Sterling Bancorp Inc.	MI	SBT
Hills Bancorp.	IA	HBIA	Stock Yards Bancorp Inc.	KY	SYBT
Horizon Bancorp Inc.	IN	HBNC	United Cmnty Finl Corp.	OH	UCFC
Independent Bank Corp.	MI	IBCP			

ProBank Austin noted the following selected financial measures:

	Peer Financial Performance ⁽¹⁾			Peoples ⁽¹⁾
	25 th Pct	Median	75 th Pct	
Total Assets (\$millions)	\$3,116	\$3,787	\$4,761	\$4,003
Tangible Equity / Tangible Assets	8.56%	9.59%	10.24%	8.88%
LTM PTPP / Average Assets	1.71%	1.87%	2.04%	1.73%
LTM Core Return on Average Assets	1.22%	1.31%	1.41%	1.33%
LTM Core Return on Average Equity	10.44%	11.30%	13.74%	11.05%
LTM Efficiency Ratio	59.9%	58.5%	55.5%	61.6%
NPAs / Total Assets	0.71%	0.40%	0.29%	0.46%

LTM = Last twelve month

Core = As reported by each company in SEC filings and excludes nonrecurring revenue and expense, gains/losses on sale of securities along with certain noncash expenses such as intangible amortization expense.

PTPP = Pre-Tax Pre-Provision = Net Interest Income + Noninterest Income - Noninterest Expense

(1) Peer group financial performance as of most recent available as of October 19, 2018. Peoples' financial performance as of September 30, 2018 (Peer group financial performance excludes Peoples).

This comparison indicated that Peoples was between the 25th percentile and median of the peer group for PTPP to average assets and core ROAE. Peoples' core ROAA was between the median and 75th percentile of the peer group. Peoples' tangible equity to assets ratio was between the 25th percentile and median of the peer. Peoples' efficiency ratio was higher than the 25th percentile of peer while its NPAs to total assets ratio was between the 25th percentile and median of the peer.

The following presents a summary of the market trading data of Peoples compared to this same peer group as of October 19, 2018:

As of 10/19/2018	Peer Market Trading Data			
	25 th Pct	Median	75 th Pct	Peoples
Price / Tangible Book Value per Share	164%	183%	213%	191%
Price / LTM Core EPS	13.3	13.8	14.7	12.5
Dividend Yield	0.91%	2.10%	2.56%	3.12%
Average Monthly Trading Volume	4.0%	4.8%	6.8%	4.5%

Peoples traded between the median and the 75th percentile of the peer group as measured by the price to tangible book and below the 25th percentile of the peer as measured by the price to LTM Core EPS. Peoples' dividend yield exceeded the 75th percentile of the peer. Peoples' average monthly trading volume as a percent of shares outstanding measured between the 25th percentile and median of the peer group.

Pro Forma Merger Analysis. ProBank Austin performed a pro forma merger analysis that considered the projected income statement, balance sheet impact and performance metrics of the Merger on Peoples. ProBank Austin's analysis was prepared on a basis reflecting consensus analyst earnings estimates for Peoples and the best currently available information and judgement of the management of FPB. Assumptions were made regarding the fair value accounting adjustments, cost savings, restructuring charges and other acquisition adjustments based on discussions with management of FPB and Peoples and their representatives. The pro forma merger analysis indicated the Merger would be dilutive to Peoples' tangible book value per share at closing and such dilution would be recovered within approximately 2.1 years. ProBank Austin also calculated the Merger would be accretive to Peoples' earnings per share (excluding nonrecurring transaction expenses) for the 12-month period following closing by approximately 4.0 percent and this accretion would increase going forward into the second year following closing based on cost savings becoming fully implemented. These results are comparable to those publicly disclosed by Peoples. The actual results achieved by Peoples following the Merger may vary from the projected results, and the variance may be material.

Pro Forma Equivalent Dividends to FPB. Based on the 12.512 Exchange Ratio and Peoples' current annual cash dividend rate of \$1.20 per share, the pro forma equivalent cash dividend equals \$15.01 for each current FPB common share.

ProBank Austin's Compensation and Other Relationships with FPB and Peoples. ProBank Austin acted exclusively for the FPB Board in rendering this opinion and has received a fee from FPB for the issuance of the ProBank Austin Opinion. FPB has also agreed to pay ProBank Austin customary fees for its services as exclusive financial advisor in connection with the Merger. A portion of the fee was payable upon execution of the Merger Agreement, and a significant portion is contingent upon completion of the transaction.

FPB agreed to reimburse ProBank Austin for its reasonable out-of-pocket expenses, and to indemnify ProBank Austin against certain liabilities, including liabilities under securities laws. ProBank Austin has provided various consulting services to FPB in the past, including investment banking services. ProBank Austin has not provided services within the last two years and does not have any existing or pending engagements with Peoples.

Summary. Based on the preceding summary discussion and analysis, and subject to the qualifications described herein, ProBank Austin determined the merger consideration and special cash distribution to be fair, from a financial point of view, to the holders of FPB common stock.

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

Regulatory Approvals Required

The Merger must receive approval from both ODFI and the Federal Reserve before the proposed Merger may be consummated. In addition, First Commonwealth Bank is required to seek approval from the Kentucky Department of Financial Institutions in connection with the special cash distribution. The approval of any regulatory applications

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

Interests of FPB Directors and Officers in the Merger

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

Employment and Severance Agreements

FPB or First Commonwealth Bank is party to employment or severance agreements with certain of its executive officers that provide for severance or change in control payments and the benefits described below.

Greg A. Wilson has an employment agreement with First Commonwealth Bank and Peoples has agreed to pay Mr. Wilson a lump sum change in control benefit equal to 2.99 times his annual base salary in order to fulfill its terms. In addition, Peoples and Mr. Wilson have agreed to terminate the employment agreement within 15 days of the consummation of the Closing and enter into a settlement agreement whereby Mr. Wilson will receive a lump sum severance payment of \$253,671.42 in exchange for a one year non-compete.

Burl Wells Spurlock has a severance agreement with FPB. If Mr. Spurlock's employment is terminated any time in the first two years following a change in control, either voluntarily, due to a material change in duties, or involuntarily, other than for cause or due to death, disability or retirement, then he will be entitled to receive 2.99 times his base annual salary.

Compensation Arrangements Entered into in Connection with the Merger

Continued Employment of Greg A. Wilson

In connection with the Merger, Peoples Bank anticipates entering into an employment agreement with Mr. Wilson. The principal terms of the employment agreement, will provide that Mr. Wilson's title with Peoples Bank will be senior vice president with an annual base salary of \$200,000. Additionally, Mr. Wilson will receive an award of restricted Peoples common shares in an amount equal to \$100,000 and a one-time bonus of \$20,000 and be eligible to participate in Peoples' incentive plans. Under certain circumstances, upon Mr. Wilson's termination, he will be subject to non-competition and non-solicitation restrictions.

Retention Bonuses

FPB plans on offering retention bonuses to Phillip Elliot in the amount of \$30,000 and Robert Allen in the amount of \$20,000 prior to the consummation of the Merger. Should FPB desire to change such amounts, they may only do so in consultation with Peoples.

Severance Payments

Under the terms of the Merger Agreement, subject to any regulatory restrictions, Peoples has agreed to pay to each employee, including officers, of FPB or First Commonwealth Bank who (i) is not subject to an existing contract providing for severance and/or a change in control payment, (ii) is an employee of FPB or First Commonwealth Bank immediately before the effective time of the Merger, (iii) has been an employee of FPB or First Commonwealth Bank for at least six months prior to the effective time of the Merger, and (iv) is not offered continued employment by Peoples or any of its subsidiaries in a similar position for at least six months after the effective time of the Merger, a severance amount equal to two weeks base pay multiplied by the number of whole years of service of such employee with FPB or First Commonwealth Bank, less applicable local, state and federal tax withholding; provided, however, that the minimum severance payment will equal four weeks of base pay, and the maximum severance payment will not exceed 26 weeks of base pay.

Further, for any employee of FPB or First Commonwealth Bank participating in FPB's or First Commonwealth Bank's group health program at the effective time of the Merger who is entitled to a severance payment, the employee will be able to purchase health insurance coverage for the employee and for any spouse or other dependent covered by FPB's or First Commonwealth Bank's group health program at the effective time of the Merger, at the full premium rate for the entire COBRA period.

Indemnification and Directors' and Officers' Liability Insurance

For a period of six years following the effective time of the Merger and subject to compliance with applicable state and federal laws, Peoples will indemnify each person who served as a director or officer of FPB before the effective time of the Merger to the fullest extent provided by FPB's governing documents, from and against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with any threatened, pending or

completed action, suit or proceeding by reason of the fact that the person was an officer or director of FPB. In addition, the Merger Agreement provides that, prior to the Merger, FPB will purchase up to six years of extended tail coverage available under its current directors' and officers' liability insurance policy.

Material U.S. Federal Income Tax Consequences of the Merger

This section describes the intended, material U.S. federal income tax consequences of the Merger to Peoples, FPB, and U.S. holders of FPB common stock who exchange their common shares for Peoples common shares pursuant to the Merger. Peoples and FPB intend for the Merger to be treated as a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code, and Peoples and FPB intend that each will be a “party to a reorganization” within the meaning of Section 368(b) of the Internal Revenue Code. The closing of the Merger is conditioned upon the receipt by FPB of an opinion of Crowe LLP, dated as of the effective date of the Merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth in that opinion (including factual representations contained in certificates of officers of Peoples and FPB), the Merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code. This section summarizes the matters which are expected to be addressed in the tax opinion of Crowe LLP filed as an exhibit to the registration statement of which this proxy statement/prospectus is a part.

Peoples and FPB have not requested and do not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the Merger, and the tax opinion to be delivered in connection with the Merger is not binding on the IRS. Consequently, there is no assurance of the accuracy of the anticipated U.S. federal income tax consequences to Peoples, FPB, and the U.S. holders of FPB common stock described in this proxy statement/prospectus.

The following discussion is based on the Internal Revenue Code, existing final, temporary and proposed Treasury Department regulations promulgated thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of FPB common stock who, for U.S. federal income tax purposes, is:

- a citizen or resident of the U.S.;
- a corporation, or an entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S. or any state or political subdivision thereof;
- a trust that (1) is subject to (A) the primary supervision of a court within the U.S. and (B) the authority of one or more U.S. persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury Department regulations to be treated as a U.S. person; or
- an estate that is subject to U.S. federal income tax on its income regardless of its source.

Holders of FPB common stock that are not U.S. holders may have different tax consequences than those described above and are urged to consult their own tax advisors regarding the tax treatment to them under U.S. and non-U.S. laws.

This discussion addresses only those holders of FPB common stock that hold their FPB common stock as capital assets within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment), and does not address all of the U.S. federal income tax consequences that may be relevant to particular holders of FPB common stock in light of their individual circumstances or to holders of FPB common stock that are subject to special rules, such as:

- financial institutions;
- corporations or other pass-through entities and investors in those entities;
- retirement plans or pension funds;
- insurance companies;
- tax-exempt organizations;
- dealers or brokers in stocks and securities, or foreign currencies;
- traders in securities that elect to use the mark-to-market method of accounting;
- regulated investment companies;
- real estate investment trusts;
- persons that exercise dissenters’ rights;
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persons that hold FPB common stock as part of a straddle, hedge, constructive sale, conversion transaction or other risk management transaction;

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persons that purchase or sell their FPB common stock as part of a wash sale;
expatriates or persons that have a functional currency other than the U.S. dollar;
persons that are not U.S. holders; and
persons that acquired their FPB common stock through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan.

In addition, this discussion does not address any U.S. federal estate or gift tax or any state, local or foreign tax consequences of the Merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. Determining the actual tax consequences of the Merger to a holder of FPB common stock may be complex. All holders of FPB common stock should consult with their tax advisors as to the specific tax consequences of the Merger to them, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws.

Reorganization Treatment

The Merger is intended to be a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code, and Peoples and FPB are each intended to be a “party to the reorganization” within the meaning of Section 368(b) of the Internal Revenue Code. If the intended reorganization treatment is respected by the IRS and the courts, then the material federal income tax consequences described below are anticipated.

Federal Income Tax Consequences to Peoples and FPB

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

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

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

Tax Consequences to FPB Shareholders who Receive Only Peoples Common Shares

No gain or loss will be recognized by a U.S. holder of FPB common stock who receives solely Peoples common shares (except for cash received in lieu of fractional shares, as discussed below) in exchange for all of its FPB common stock. The tax basis of the Peoples common shares received by U.S. holders of FPB common stock in such exchange will be equal (except for the basis attributable to any fractional Peoples common shares, as discussed below) to the basis of FPB common stock surrendered in exchange for Peoples common shares. The holding period of the Peoples common shares received will include the holding period of FPB common stock surrendered in exchange for Peoples common shares, provided that such shares were held as capital assets of the FPB shareholder at the effective time of the Merger.

If a U.S. holder of FPB common stock acquired different blocks of FPB common stock at different times or at different prices, the tax basis and holding periods of Peoples common shares received in exchange for such blocks will be determined separately. U.S. holders of FPB common stock should consult their tax advisors regarding their bases and holding periods in the particular Peoples common shares received in the Merger.

Cash in Lieu of Fractional Shares

A U.S. holder of FPB common stock that receives cash in lieu of a fractional Peoples common share generally will be treated as having received such fractional share and then having received such cash in redemption of such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the U.S. holder’s aggregate adjusted basis in the FPB common stock surrendered which is allocable to the fractional share. Subject to possible dividend treatment (as discussed in more detail under “Possible Dividend Treatment”, below), such gain or loss generally will be long-term capital gain or loss if the U.S. holder’s holding period for its FPB shares exceeds one year at the effective time of the Merger.

Possible Dividend Treatment

In some cases, if a U.S. holder of FPB common stock actually or constructively owns Peoples common shares other than the Peoples common shares received pursuant to the Merger, the gain recognized by such holder could be treated as having the effect of the distribution of a dividend under the tests set forth in Section 302 of the Internal Revenue Code, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends primarily upon each holder’s particular circumstances, including the application of certain constructive

ownership rules, U.S. holders of FPB common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

Backup Withholding and Reporting Requirements

Under certain circumstances, cash payments made to a U.S. holder of FPB common stock pursuant to the Merger may be subject to backup withholding at a rate of 28% of the cash payable to the holder, unless the holder furnishes its taxpayer identification number in the manner prescribed in applicable Treasury Department regulations, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not an additional tax and will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. A U.S. holder of FPB common stock owning at least 1% (by vote or value) of the outstanding FPB common stock or having a basis of \$1,000,000 or more in its FPB common stock, immediately before the Merger, is required to file a statement with such holder's U.S. federal income tax return setting forth such holder's tax basis in and the fair market value of shares of the FPB common stock exchanged by such holder pursuant to the Merger. In addition, all holders of FPB common stock will be required to retain records pertaining to the Merger.

The following discussion does not address the tax consequences associated with the special cash distribution of \$140.30 per share to be paid by FPB to its shareholders immediately prior to the effective time of the Merger. See "MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE SPECIAL CASH DISTRIBUTION" below for a description of the tax consequences of the special cash distribution to FPB shareholders. The preceding discussion of material U.S. federal income tax consequences of the Merger is included in this proxy statement/prospectus for general information only, and is intended only as a summary of material U.S. federal income tax consequences of the Merger. It is not a complete analysis or discussion of all potential tax effects that may be important to you.

Each FPB shareholder should consult with his, her or its own tax advisor regarding the specific tax consequences to the shareholder of the Merger, including the application and effect of state, local and foreign income and other tax laws.

Material U.S. Federal Income Tax Consequences of the Special Cash Distribution

The following discussion is a general summary of the material U.S. federal income tax consequences of the \$140.30 per share special cash distribution to be paid to shareholders of FPB immediately prior to the closing of the Merger. The following discussion is based on the Internal Revenue Code, existing final, temporary and proposed Treasury Department regulations promulgated thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

This discussion neither binds nor precludes the Internal Revenue Service from adopting a position contrary to that expressed in this proxy statement/prospectus, and we cannot assure you that such a contrary position could not be asserted successfully by the Internal Revenue Service or adopted by a court if the positions were litigated. FPB does not intend to obtain a ruling from the Internal Revenue Service or a written opinion from tax counsel with respect to the federal income tax consequences discussed below.

This discussion assumes that a FPB shareholder holds his or her common shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. This discussion is for general information only and does not address all aspects of federal income taxation that may be relevant to a FPB shareholder in light of his or her personal circumstances or if such shareholder is subject to certain rules, such as those relating to foreign persons, tax-exempt organizations, pass-through entities, taxpayers who own FPB common stock as part of a "straddle," "hedge" or "conversion transaction" or who have a "functional currency" other than United States dollars or individual persons who have received FPB common stock as compensation or otherwise in connection with the performance of services. Further, this discussion does not address non-income tax or any state, local or foreign tax consequences of the special cash distribution.

Determining the actual tax consequences of the special cash distribution to you may be complex and will depend on your specific situation and on factors that are not within Peoples' or FPB's control. You should consult with your own tax advisor as to the specific tax consequences of the special cash distribution in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.

Tax Consequences of the Special Cash Distribution Generally

Generally, distributions to shareholders from a corporation taxed under Subchapter S of the Internal Revenue Code are not taxable to the extent of the shareholder's adjusted tax basis in his or her S corporation stock, with any distribution in excess of his or her adjusted tax basis being treated as gain from the sale or exchange of property. However, if an S corporation has C corporation earnings and profits from prior C corporation years, as FPB does, distributions by the S corporation to its shareholders may be taxable as dividends under certain limited circumstances.

Under the Internal Revenue Code, distributions made by an S corporation which has C corporation earnings and profits are divided into three tiers, with varying tax consequences. First, distributions are deemed to come from the S corporation's "accumulated adjustment account," which generally tracks the cumulative taxable income of the S corporation that can be distributed to shareholders as a reduction of their tax basis. Distributions deemed made from the accumulated adjustment account are not taxable to the extent of a shareholder's adjusted tax basis in his or her S corporation stock and any such distribution in excess of his or her adjusted tax basis is treated as gain from the sale or exchange of property. Second, the amount of any distribution in excess of the balance of the accumulated adjustment account up to the amount of the C corporation earnings and profits of the corporation is taxable as a dividend. Third, the amount of any distribution in excess of the accumulated adjustment account and C corporation earnings and profits is taxed in the same manner as the first tier of distributions, that is, such distributions are not taxable to the extent of a shareholder's remaining adjusted tax basis in his or her S corporation stock, with any distribution in excess of his or her adjusted tax basis treated as gain from the sale or exchange of property.

As of December 31, 2017, the accumulated adjustment account of FPB was approximately \$8 million. The accumulated adjustment account generally increases by the amount of any income or gain of FPB prior to the closing of the merger and decreases by the amount of any distributions, losses, deductions or nondeductible expenses incurred by FPB, which would include shareholder distributions since January 1, 2018.

Under the Merger Agreement, FPB is permitted to make distributions to its shareholders under three circumstances. First, FPB is permitted to pay a special cash distribution in the amount of \$140.30 per share, or approximately \$11.275 million in the aggregate, prior to closing. Second, FPB may pay to its shareholders its normal and customary quarterly cash dividend in the amount of \$5.00 per share for each full calendar quarter preceding the effective date of the Merger. Finally, FPB is entitled to continue to pay a cash dividend equal to 31% of FPB's estimated taxable income from the commencement of calendar quarter in which the Merger occurs through the effective date of the Merger so long as the dividend does not exceed \$5.00. Finally, FPB may pay to its shareholders its normal and customary quarterly cash dividend in the amount of \$5.00 per share.

To the extent that the distribution is under the first or third tier, and is further not taxable due to the shareholder's basis prior to the distribution exceeding the amount received, the shareholder's adjusted tax basis in his or her FPB common shares would decrease by the amount of the distributions paid and affect the amount of the shareholder's adjusted carryover tax basis in the Peoples common shares received in exchange for the FPB common shares in the Merger. See "MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER" above.

As described above, to the extent that any such distribution exceeds the shareholder's adjusted tax basis in his or her S corporation stock, that excess portion would be taxable for federal income tax purposes as a gain from the sale or exchange of property. That gain would be a capital gain and would be long-term if such shareholder has held his or her shares for more than one year at the time that the taxable distribution is made.

Net long-term capital gain is generally taxed at a maximum rate of 20% for taxpayers with taxable income that exceeds certain threshold amounts and at a maximum rate of 15% for taxpayers with taxable income below those threshold amounts. Net short-term capital gain is taxed at the holder's ordinary income tax rate. Holders should consult their own tax advisors regarding the availability of the preferential tax rates in light of such holder's particular circumstances.

In the event that a shareholder is required to recognize gain to the extent that a distribution exceeds the shareholder's adjusted tax basis in his or her shares, the shareholder may also be subject to a 3.8% tax on net investment income. Generally, distributions made by corporations before a merger are disregarded in determining whether the merger is treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and are not treated as cash received in the merger (which could result in the recognition of gain by the shareholders as a result of the

merger), unless the source of funds for such distributions can be traced to the acquiring entity. FPB intends to make the distributions described above out of its own funds and does not expect that such distributions would cause the Merger to fail to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code or that such distributions would be treated as cash received in the Merger, but there can be no assurances that the Internal Revenue Service or a court would not adopt a contrary position.

Backup Withholding and Reporting Requirements

A shareholder who receives payments treated as a dividend or who recognizes gain to the extent that a distribution exceeds his or her adjusted tax basis in the shares may also be subject to information reporting and backup withholding in the same manner as discussed above in “MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER-Backup Withholding and Reporting Requirements.”

The preceding discussion of material U.S. federal income tax consequences of the Merger is included in this proxy statement/prospectus for general information only, and is intended only as a summary of material U.S. federal income tax consequences of the Merger. It is not a complete analysis or discussion of all potential tax effects that may be important to you.

Each FPB shareholder should consult with his, her or its own tax advisor regarding the specific tax consequences to the shareholder of the Merger, including the application and effect of state, local and foreign income and other tax laws.

Accounting Treatment

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

Dissenters' Rights

Kentucky law provides certain rights to shareholders who dissent from certain corporate actions, including the proposed merger. Shareholders of FPB are entitled to certain dissenters' rights pursuant to Chapter 271B, Subtitle 13, of the KBCA. Subtitle 13, generally provides that shareholders of FPB will not be entitled to such rights without strict compliance with the procedures set forth in Subtitle 13, and failure to take any one of the required steps may result in the termination or waiver of such rights. Specifically, any FPB shareholder who is a record holder of FPB common stock on _____, 2019, the record date for the FPB special meeting, and whose shares are not voted in favor of the adoption of the Merger Agreement may be entitled to be paid the “fair cash value” of such FPB common stock after the effective time of the Merger.

Only a shareholder of record may assert dissenters' rights. A beneficial owner of shares held in a voting trust or by a nominee as the record shareholder (as in the case of shares held in a brokerage account) must direct the shareholder of record to assert dissenters' rights on behalf of the beneficial owner unless the right to dissent is granted to the beneficial owner by a nominee certificate on file with a corporation.

A shareholder of record may assert dissenters' rights as to fewer than all of the shares registered in the shareholder's name only if the shareholder dissents with respect to all shares beneficially owned by any one beneficial owner and notifies FPB in writing of the name and address of each person on whose behalf he or she asserts dissenters' rights. A beneficial owner may assert dissenters' rights only if the beneficial owner submits to FPB the record shareholder's written consent to the dissent not later than the time the beneficial owner asserts dissenters' rights, and does so with respect to all shares of FPB common stock of which he or she is the beneficial owner or over which he or she has power to direct the vote.

To be entitled to such payment, a shareholder of record:

- must deliver to FPB a written demand for payment of the fair cash value of the shares held by such shareholder before the vote on the adoption and approval of the Merger Agreement proposal is taken at the FPB special meeting;
- must not vote in favor of adoption and approval of the Merger Agreement; and
- must otherwise comply with Chapter 271B, Subtitle 13.

An FPB shareholder's failure to vote against the adoption and approval of the Merger Agreement will not constitute a waiver of such shareholder's dissenters' rights. Any written demand must specify the shareholder's name and address, the number and class of shares held by him, her or it on the FPB record date, and the amount claimed as the “fair cash value” of such FPB common stock.

See the text of Chapter 271B, Subtitle 13, of the KBCA attached as Annex B to this proxy statement/prospectus for specific information on the procedures to be followed in exercising dissenters' rights. FPB is notifying each of the holders of

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record of its common shares as of _____, 2019 that dissenters' rights are available and intends that this proxy statement/prospectus constitutes such notice.

Within 10 days after the approval of the Merger Agreement at the special meeting, FPB will send a dissenters' notice to all shareholders who have timely provided a notice of intent to demand payment in accordance with the procedures described above. The dissenters' notice will state the dates and place for receipt of the payment demand and the deposit of FPB stock certificates, inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received, supply a form for demanding payment that includes the date of the first announcement to the news media or shareholders of the terms of the proposed merger and requires that the person asserting dissenters' rights certify whether or not he or she acquired beneficial ownership of his or her shares before that date, set a date by which FPB must receive the payment demand, which date may not be fewer than 30 nor more than 60 days after the dissenters' notice is delivered, and be accompanied by a copy of the dissenters' rights provisions of the KBCA.

If FPB so requests, dissenting shareholders must submit their stock certificates to FPB within 15 days of such request, for endorsement on such certificates by FPB that a demand for appraisal has been made. Failure to comply with such a request will terminate the shareholder's dissenters' rights. Any such certificates will be promptly returned to the dissenting shareholders by FPB. If FPB and any dissenting shareholder cannot agree upon the "fair cash value" of FPB common stock, either may, within three months after service of demand by the shareholder, file a petition in the Common Pleas Court of Scioto County, Ohio, for a determination of the "fair cash value" of such dissenting shareholder's FPB common stock. The fair cash value of a share of FPB common stock to which a dissenting shareholder is entitled to under Section 271B.13 will be determined as of the day prior to the special meeting. The court may appoint one or more appraisers to determine the "fair cash value" and, if the court approves the appraisers' report, judgment will be entered for the "fair cash value," and the costs of the proceedings, including reasonable compensation of the appraisers, will be assessed or apportioned as the court considers equitable.

If an FPB shareholder exercises his or her dissenters' rights under Section 271B.13, all other rights with respect to such shareholder's FPB common stock will be suspended until FPB purchases the shares, or the right to receive the fair cash value is otherwise terminated. Such rights will be reinstated should the right to receive the fair cash value be terminated other than by the purchase of the shares.

The foregoing description of the procedures to be followed in exercising dissenters' rights available to holders of FPB common stock pursuant to Chapter 271B, Subtitle 13, of the KBCA may not be complete and is qualified in its entirety by reference to the full text of Chapter 271B, Subtitle 13, attached as Annex B to this proxy statement/prospectus. Ensuring perfection of dissenters' rights can be complicated. The procedural rules are specific and must be followed precisely. An FPB shareholder's failure to comply with these procedural rules may result in his or her becoming ineligible to pursue dissenters' rights.

Resale of Peoples Common Shares

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

Employee Matters

Generally

The Merger Agreement provides that employees of FPB or First Commonwealth Bank who become employees of Peoples as a result of the Merger will, as determined by Peoples, participate in either FPB's or First Commonwealth Bank's employee benefit plans or, as soon as administratively practicable, in the employee benefit plans sponsored by Peoples for Peoples' employees. Such employees of FPB or First Commonwealth Bank will receive credit for their years of service with FPB or First Commonwealth Bank, as applicable, for participation and vesting purposes under the applicable Peoples employee benefit plans, to the extent such plans permit, including credit for years of service

and for seniority under vacation and sick pay plans and programs, but subject to the eligibility and other terms of such plans. In addition, to the extent FPB or First Commonwealth Bank employees participate in Peoples' group health plan instead of continued participation in FPB's group health plan, Peoples will waive all restrictions and limitations for pre-existing conditions under Peoples' group health plan and applicable insurance policy to the extent that Peoples' group health plan and insurance policy permit such waiver. Furthermore, FPB shall, or shall cause First Commonwealth Bank, to pay to each FPB and First Commonwealth Bank employee all accrued and unused sick days (as defined under FPB's Compensation and Benefit Plans) on or before the effective time of the Merger.

Employee Severance

Subject to any regulatory restrictions, Peoples has agreed to pay to each employee of FPB or First Commonwealth Bank who (i) is not subject to an existing contract providing for severance and/or a change in control payment, (ii) is an employee of FPB or First Commonwealth Bank immediately before the effective time of the Merger, (iii) has been an employee of FPB or First Commonwealth Bank for at least six months prior to the effective time of the Merger, and (iv) is not offered continued employment in a similar position by Peoples or any of its subsidiaries for at least six months after the effective time of the Merger, a severance amount equal to two weeks base pay multiplied by the number of whole years of service of such employee with FPB or First Commonwealth Bank, less applicable local, state and federal tax withholding; provided, however, that the minimum severance payment will equal four weeks of base pay, and the maximum severance payment will not exceed 26 weeks of base pay; provided further, that the base pay for any hourly employee will be determined based on such employee's rate of pay at the effective time of the Merger and the average hours worked by such employee over the 12 months preceding the completion of the Merger, or such shorter period of time that such employee was employed by FPB or First Commonwealth Bank.

Further, Peoples has agreed to make available COBRA continuation coverage to COBRA Qualified Beneficiaries under FPB's or First Commonwealth Bank's group health plan so long as Peoples maintains said plan and thereafter, if necessary, under Peoples group health plan.

In exchange for the severance pay described above, terminated employees will be required to execute a final and binding general release in which such employee releases and waives any and all claims the employee may have against Peoples and its affiliates.

FPB's 401(k) Plan

FPB is required to terminate the 401(k) Plan effective as of a date immediately prior to the effective date of the Merger. In addition, as soon as feasible after the closing of the Merger, Peoples will take commercially reasonable steps to allow FPB or First Commonwealth Bank employees who continue as employees of Peoples or Peoples Bank to participate in the Peoples 401(k) Plan and to accept roll-overs of benefits from the FPB 401(k) Plan to the Peoples 401(k) Plan.

THE MERGER AGREEMENT

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

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

The Merger and Subsidiary Bank Merger

Pursuant to the terms and subject to the conditions of the Merger Agreement, FPB will merge with and into Peoples, with Peoples surviving the Merger and continuing as an Ohio corporation and a registered financial holding company. Immediately following the Merger, Peoples will cause First Commonwealth Bank to be merged with and into Peoples Bank, with Peoples Bank surviving the subsidiary bank merger and continuing as an Ohio chartered commercial bank.

Effective Time

Peoples and FPB will cause the effective time of the Merger to occur as soon as practicable after the last of the conditions precedent set forth in the Merger Agreement have been satisfied or waived. Unless Peoples and FPB otherwise agree in writing, the effective time of the Merger will not be later than June 30, 2019. The Merger will become effective upon the latest to occur of (i) the filing of a certificate of merger with the Ohio Secretary of State and the articles of merger with the Kentucky Secretary of State, or (ii) at a later time that Peoples and FPB agree to in writing and specify in the certificate of merger.

Peoples and FPB currently anticipate closing the Merger in the second quarter of 2019.

Merger Consideration

Under the terms of the Merger Agreement, if the Merger is completed, shareholders of FPB will be entitled to receive 12.512 Peoples common shares for each share of FPB common stock.

Peoples will not issue any fractional common shares in connection with the Merger. Instead, each holder of FPB common stock who would otherwise be entitled to receive a fraction of a Peoples common share (after taking into account all shares of FPB common stock owned by such holder at the effective time of the Merger) will receive cash, without interest, in an amount (rounded to the nearest whole cent) equal to the product of (a) the fractional Peoples common share interest (rounded to the nearest thousandth when expressed in decimal form) to which such holder would otherwise be entitled by (b) the volume weighted average closing price per share of Peoples common shares on the NASDAQ Global Select Market® for the twenty consecutive trading days ending on and including the day immediately preceding the effective date of the Merger.

At the effective time of the Merger, FPB common stock will no longer be outstanding and will automatically be cancelled and cease to exist, and holders of FPB common stock will cease to be, and will have no rights as, shareholders of FPB, other than to receive the merger consideration pursuant to the terms and conditions of the Merger Agreement (and dissenters' rights under Chapter 271B, Subtitle 13, of the KBCA in the case of FPB common stock as to which the holder has properly exercised dissenters' rights).

Surrender of Certificates

Peoples will engage Equiniti Trust Company (the "Exchange Agent") to act as its exchange agent to handle the exchange of FPB common stock for the Merger Consideration. Within five business days after the effective time, Peoples will instruct the Exchange Agent to send to each FPB shareholder a letter of transmittal for use in the exchange with instructions explaining how to surrender FPB common stock certificates to the Exchange Agent. FPB shareholders that surrender their certificates to the Exchange Agent, together with a properly completed letter of

transmittal, will receive the Merger Consideration.

Within ten days following receipt of a properly completed letter of transmittal, the Exchange Agent will cause new certificates representing Peoples common shares (in book-entry form) into which a shareholder's FPB common stock were converted in the Merger, and a check in respect of cash to be paid in lieu of any fractional share interests or dividends or distributions which such shareholder is entitled to receive, to be delivered to the shareholder. No interest will be paid on any

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cash to be paid in exchange for FPB common stock or in respect of any fractional share interests, dividends or distributions which any shareholder is entitled to receive under the terms of the Merger Agreement.

Until surrendered, each FPB stock certificate will be deemed after the effective time of the Merger to represent only the right (a) to receive any dividend or other distribution with respect to such FPB common stock with a record date occurring prior to the effective time of the Merger, (b) to receive 12.512 Peoples common shares for each share of FPB common stock they own at the effective time of the Merger, and (c) rights in the case of dissenting shares.

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

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

Indemnification and Directors' and Officers' Liability Insurance

For a period of six years following the effective time of the Merger and subject to compliance with applicable state and federal laws, Peoples will indemnify each person who served as a director or officer of FPB before the effective time of the Merger, to the fullest extent provided by FPB's governing documents, from and against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding by reason of the fact that the person was an officer or director of FPB. In addition, FPB will purchase six years of extended tail coverage available under its current directors' and officers' liability insurance policy.

NASDAQ Stock Listing

Peoples common shares currently are listed on the NASDAQ Global Select Market® under the symbol "PEBO." The shares to be issued to FPB's shareholders as merger consideration also will be eligible for trading on the NASDAQ Global Select Market®. Pursuant to the Merger Agreement, Peoples will cause the Peoples common shares to be issued pursuant to the Merger to be approved for listing on the NASDAQ Global Select Market®.

Conditions to Consummation of the Merger

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

- the Merger Agreement must be duly adopted and approved by the requisite vote of the shareholders of FPB; all regulatory approvals required to consummate the Merger must have been obtained and remain in full force and effect and all statutory waiting periods in respect thereof must have expired and no such approvals contain (i) any conditions, restrictions or requirements which the board of directors of Peoples reasonably determines would, either before or after the effective time of the Merger, have a material adverse effect on Peoples and its subsidiaries taken as a whole after giving effect to the consummation of the Merger, or (ii) any conditions, restrictions or requirements that are not customary and usual for approvals of such type and which the board of directors of Peoples reasonably determines would, either before or after the effective time of the Merger, be unduly burdensome;

there must not be any temporary, preliminary or permanent statute, rule, regulation, judgment, decree, injunction or other order issued by or imposed by any court or any other governmental authority that is in effect and prohibits consummation of the transactions contemplated by the Merger Agreement; and

this registration statement must have been declared effective by the SEC and must not be subject to any stop order or any threatened stop order, and the issuance of Peoples common shares hereunder must have been qualified in every state where such qualification is required under applicable state securities laws.

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

- the representations and warranties of Peoples contained in the Merger Agreement must be true and correct, subject to the standard set forth in the Merger Agreement, as of the date of the Merger Agreement and as of

the effective time of the Merger (or if any representation or warranty speaks as of a specific date, as of that date), and FPB must have received a certificate, dated as of the effective time, signed on behalf of Peoples by the chief executive officer of Peoples to such effect;

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

Peoples common shares to be issued in the Merger must have been authorized for listing on the NASDAQ Global Select Market®;

there must not have occurred any event, circumstance or development that has resulted in or could reasonably be expected to result in a material adverse effect on Peoples; and

FPB shall have received an opinion from Crowe LLP, dated as of the effective date, to the effect that, on the basis of the facts, representations and assumptions set forth in such opinion, the Merger will be treated for federal income tax purposes as a “reorganization” within the meaning of the Internal Revenue Code.

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

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

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

FPB must have obtained the consent or approval of each person (other than governmental authorities) whose consent or approval is required under the Merger Agreement or under any loan or credit agreement, note, mortgage, indenture, lease, license or other agreement or instrument in connection with the Merger Agreement, except those for which failure to obtain such consents and approvals would not, individually or in the aggregate, have a material adverse effect on Peoples after the Merger;

Peoples must have received a statement executed on behalf of FPB, dated as of the effective time of the Merger, that satisfies the requirements of the regulations of the United States Department of Treasury (“Treasury Regulations”) Section 1.1445-2(c)(3) and complies with Treasury Regulations Section 1.897-2(h), in a form reasonably acceptable to Peoples certifying that FPB common stock do not represent United States real property interests within the meaning of Section 897 of the Internal Revenue Code and the Treasury Regulation promulgated thereunder;

the holders of not more than 5% of the outstanding FPB common stock have perfected their dissenters’ rights under Chapter 271B, Subtitle 13, of the KBCA in connection with the Merger;

either (i) the results of each Phase I Environmental Site Assessment conducted by Peoples pursuant to the Merger Agreement as reported shall be reasonably satisfactory to Peoples, or (ii) any violation or potential violation of the environmental representations and warranties contained in the Merger Agreement disclosed in a Phase I report conducted by Peoples shall have been remedied by FPB to the reasonable satisfaction of Peoples;

FPB shall have procured a policy of directors’ and officers’ liability insurance in accordance with the terms of the Merger Agreement;

FPB shall have (i)(A) obtained an estoppel certificate and subordination and non-disturbance agreement from the applicable counterparty for the property located at 101 Canewood Center Drive, Georgetown, Kentucky and (B) used commercially best efforts to have obtained an estoppel certificate and subordination and non-disturbance agreements from all other applicable lessors disclosed to Peoples, and (ii)(A) used commercially best efforts to obtain estoppel certificates from the Commonwealth of Kentucky and United States agencies located at 311 N. Arnold Avenue, Prestonsburg, Kentucky and (B) obtained an estoppel certificate from all other applicable lessees disclosed to Peoples; and

there must not have occurred any event, circumstance or development that has resulted in or could reasonably be expected to result in a material adverse effect on FPB.

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

Representations and Warranties

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

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

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

- corporate organization, standing and authority;
- capitalization;
- subsidiaries;
- no ownership of FPB common stock;
- corporate power;
- corporate authority and enforceability of the Merger Agreement;
- accuracy of SEC reports;
- accuracy of financial statements and internal controls;

regulatory matters;
legal proceedings;
compliance with laws;
deposit insurance;
absence of undisclosed liabilities;
regulatory approvals;
broker's and finder's fees;
sufficiency of authorized common shares;
takeover laws;
tax matters; and
information to be contained in this proxy statement/prospectus.

FPB's Conduct of Business Pending the Merger

From the date of the Merger Agreement until the effective time of the Merger, FPB has agreed not to take any of the following actions without the prior written consent of Peoples, except as otherwise expressly contemplated or permitted by the Merger Agreement or required by any applicable law, regulation, regulatory order or policy of a Governmental Authority (as defined in the Merger Agreement):

- conduct business other than in the ordinary course or fail to use commercially reasonable best efforts to preserve the business;
- voluntarily take any action, which at the time taken, is reasonably likely to have a material adverse effect upon FPB's ability to perform any of its material obligations under the Merger Agreement or prevent or materially delay the consummation of the transactions contemplated by the Merger Agreement;
- enter into any new line of business or materially change its lending, investment, underwriting, risk, asset liability management or other banking and operating policies, except as required by applicable law or policies imposed by any governmental authority or by any applicable regulatory order;
- issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional FPB common stock (or other capital stock of FPB), or enter into any agreement with respect to the same;
- permit any additional FPB common stock to become subject to new grants of employee or director stock options or similar stock-based employee rights;
- effect any recapitalization, reclassification, stock split, or similar change in capitalization;
- make, declare, pay or set aside for payment any dividend or distribution on any of its common shares, other than: (i) its usual and customary quarterly cash dividend of \$5.00 per share, for each full calendar quarter, until the quarter in which the closing of the Merger occurs, and (ii) a special cash dividend equal to 31% of FPB's estimated taxable income from the commencement of calendar quarter in which the Merger occurs through the effective date of the Merger so long as such dividend does not exceed \$5.00 per share and a special one-time distribution payable by FPB to shareholders of record of FPB immediately prior to the effective time in the aggregate amount of \$11,275,000, which is \$140.30 per share of FPB common stock;
 - directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, any of its common shares;
- enter into, modify, amend, renew or terminate any employment, consulting, severance, retention, change in control or similar agreements or arrangements with directors, consultants, officers or employees of FPB, other than changes that are in the ordinary course of business consistent with past practices or required by the terms of any employment agreements;
- enter into, establish, adopt, amend, modify or terminate (except (i) as may be required by applicable law, (ii) as contemplated by the Merger Agreement or (iii) the regular annual renewal of insurance contracts) any pension, retirement, stock option, phantom stock, stock purchase, savings, profit sharing, deferred compensation, change in control, salary continuation, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement or similar arrangement, with respect to any director, consultant, officer or employee of FPB, or take any action to accelerate the payment of benefits or the vesting or exercisability of such compensation or benefits payable thereunder;
- sell, transfer, mortgage, pledge, encumber or otherwise dispose of or discontinue (excluding sales of loans underwritten in compliance with the procedures and standards of Fannie Mae in the secondary market in the ordinary course) any of its assets, deposits, business or properties other than in the ordinary course of business for full and fair consideration actually received;
- acquire (other than by way of foreclosure or acquisition of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith and in each case in the ordinary and usual course of business consistent with past practice) all or any portion of the assets, business, deposits or properties of any other entity;
- amend the organizational documents of FPB or First Commonwealth Bank;
- implement or adopt any change in its accounting principles, practices or methods other than as required by bank regulatory accounting or generally accepted accounting principles;
-

enter into or terminate any material contract, or amend, modify, renew or extend any material contract in any material respect, except as otherwise disclosed;

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settle any claim, action or proceeding, except for any claim, action or proceeding which does not involve precedent for other material claims, actions or proceedings and which involves solely money damages in an amount, individually not to exceed \$25,000 or in the aggregate not to exceed \$50,000 for all such settlements; except pursuant to applicable law or as required by any governmental authority, implement or adopt any material change in its interest rate and other risk management policies, procedures or practices, fail to follow its existing policies or practices with respect to managing its exposure to interest rate and other risk, fail to use commercially reasonable means to avoid any material increase in its aggregate exposure to interest rate risk or fail to follow its existing policies or practices with respect to managing its fiduciary risks; borrow or agree to borrow any funds including, but not limited to, pursuant to repurchase transactions, or directly or indirectly guarantee or agree to guarantee any obligations of any other person, except in each case in the ordinary course of business and with a final maturity of less than one year and excluding Federal Reserve funds purchased and Federal Home Loan Bank borrowings to fund ordinary course lending operations; make or purchase any indirect or brokered loans; purchase from or sell to any financial institution or other non-depository lender an interest in a loan and/or other type of credit facility, except for such credit facilities made to borrowers in FPB's territory which are secured by collateral located in FPB's territory in the ordinary course and consistent with past practices; make any capital expenditure or capital additions or improvements which individually exceed \$15,000 or in the aggregate exceed \$30,000; establish any new lending programs or make any changes in the policies of FPB concerning which persons may approve loans, or price or reprice any loans inconsistent with First Commonwealth Bank's current pricing methodologies; originate or issue any loans, except in accordance with existing lending policies, lending limits and authorities, or originate or issue a commitment to originate any loan in a principal amount in excess of \$500,000, unless such loan is originated and eligible for sale in the secondary market based on Federal Home Loan Bank underwriting standards; fail to prepare and file or cause to be prepared and filed in a timely manner consistent with past practice all tax returns that are required to be filed (with extensions) at or before the effective time of the Merger; fail to timely pay any tax due (whether or not required to be shown on any tax return); make, change or revoke any tax election or tax accounting method, file any amended tax return, settle any tax claim or assessment; consent to the extension or waiver of any statute of limitations with respect to taxes; or offer or agree to do any of the foregoing or surrender its rights to do any of the foregoing or to claim any tax refund or file any amended tax return; open, close or relocate any offices at which business is conducted (including any ATMs), or fail to use commercially reasonable efforts to maintain and keep their respective properties and facilities in their present condition and working order, ordinary wear and tear excepted; increase or decrease the rate of interest paid on time deposits or certificates of deposit, except in a manner consistent with rates prevailing in the relevant market; foreclose upon or otherwise take title to or possession or control of any real property or entity on such property without first obtaining a Phase I Environmental Site Assessment which indicates that the property is free of hazardous material, except that no such report will be required to be obtained with respect to single-family residential real property of five acres or less to be foreclosed upon unless FPB has reason to believe such real property may contain any such hazardous material; fail to use reasonably best efforts to not cause any material change in the amount or general composition of deposit liabilities excluding withdrawals of deposits in the ordinary course of business; or agree or commit to do any of the foregoing.

Peoples' Conduct of Business Pending the Merger

From the date of the Merger Agreement until the effective time of the Merger, Peoples has agreed not to take any of the following actions without the prior written consent of FPB, except as otherwise expressly contemplated or permitted by the Merger Agreement or required by any applicable law, regulation, regulatory order or policy of a Governmental Authority (as defined in the Merger Agreement):

• amend the organizational documents of Peoples that would adversely impact rights and obligations of Peoples shareholders;

• knowingly take or fail to take any action intended to materially delay Peoples ability to get receipt of the regulatory approvals and perform its obligations under the Merger Agreement; or

• agree or commit to do any of the foregoing.

Expenses of the Merger

Peoples and FPB are each required to bear their own expenses incurred in connection with the Merger Agreement and the transactions contemplated by the Merger Agreement.

Termination of the Merger Agreement

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

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

• if there is a material breach by the other party of any representation, warranty, covenant or agreement contained in the Merger Agreement that cannot be or has not been cured within 30 calendar days of notice of the breach provided, however, that such breach would be reasonably likely, individually or in the aggregate with all other breaches, in the reasonable opinion of the non-breaching party, to result in a material adverse effect;

• in the event that the Merger has not been consummated by June 30, 2019, unless the failure to complete the Merger by that date is due to the knowing action or inaction of the party seeking to terminate;

• in the event that (i) regulatory approval has been denied, or (ii) FPB shareholders do not adopt and approve the Merger Agreement at the FPB special shareholder meeting; or

• if FPB desires to enter into a superior competing transaction (as defined in the Merger Agreement) or if FPB's board changes its recommendation in favor of the Merger, in each case after payment to Peoples of the termination fee described below.

Termination by FPB. FPB, acting alone, may also terminate the Merger Agreement and abandon the Merger at any time before the Merger is effective upon written notice to Peoples:

• if, at any time during the five-day period commencing on the first day following the date on which all regulatory approvals necessary for consummation of the Merger have been received, which is referred to as the determination date, both of the following conditions are satisfied:

the average of the daily closing value of Peoples common shares as reported on the NASDAQ for the 20 consecutive trading days immediately preceding such specified date, which is referred to as the Peoples market value, is less than

(a) the average of the daily closing value of Peoples common shares on the NASDAQ during the 20 consecutive trading days immediately preceding the date of execution of the Merger Agreement, which is referred to as the initial Peoples market value, multiplied by (b) 0.80; and

the number obtained by (a) dividing the Peoples market value on the determination date by (b) the initial Peoples market value, is less than the quotient obtained by dividing (x) the average of the closing prices of the NASDAQ Bank Index for the 20 consecutive trading days immediately preceding the determination date by (y) the closing price of the NASDAQ Bank Index on the last trading day immediately preceding the date of the first public announcement of entry into the merger agreement, which is known as the index ratio, and subtracting 0.20 from the quotient.

If the FPB board of directors exercises the termination right described immediately above, Peoples will have the option to increase the exchange ratio to equal a quotient, the numerator of which is equal to the product of the initial

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market value, the exchange ratio, and the index ratio minus 0.20, and the denominator of which is equal to the Peoples market value on the determination date. If Peoples elects to increase the exchange ratio pursuant to the preceding sentence, no termination will occur.

In the event that the Merger Agreement is terminated and the Merger abandoned, Peoples and FPB will have no liability or further obligation to the other party, except for continued compliance with certain surviving covenants and agreements identified in the Merger Agreement. In addition, the termination of the Merger Agreement will not relieve a breaching party from liability for any willful breach of the Merger Agreement giving rise to such termination.

Voting Agreements

Under the Merger Agreement, the directors who own FPB common stock, Elizabeth Lambert, vice president of FPB, and Burl Wells Spurlock II, executed a voting agreement pursuant to which they agreed to vote such FPB common stock owned by them in favor of the Merger. The parties to the voting agreement collectively own 29,549 shares of FPB common stock.

Acquisition Proposals and Termination Fee

Pursuant to the Merger Agreement, FPB and First Commonwealth Bank must not, and must cause their officers, directors, employees and other agents not to, directly or indirectly, continue or otherwise maintain, initiate, solicit or encourage (including by way of furnishing information or assistance), or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or reasonably may be expected to lead to, any competing proposal (as defined in the Merger Agreement), or enter into or maintain discussions or negotiate with any third party in furtherance of or relating to such inquiries or to obtain a competing proposal, or agree to or endorse any competing proposal, or authorize or permit any representative of FPB or First Commonwealth Bank to take any such action, and FPB shall use its reasonable best efforts to cause the Representatives of FPB not to take any such action, and FPB shall promptly notify Peoples if any such inquiries or proposals are made regarding a competing proposal, and FPB shall keep Peoples informed, on a current basis, of the status and terms of any such proposals; provided, however, that prior to FPB shareholder adoption, nothing in the Merger Agreement shall prohibit FPB from, in connection with a superior competing transaction, furnishing information to, or entering into discussions or negotiations with, any third party that makes an unsolicited bona fide proposal to acquire FPB and/or First Commonwealth Bank pursuant to a merger, consolidation, share exchange, business combination or other similar transaction if, and only to the extent that, (A) the FPB Board, after consultation with and based upon the advice of independent legal counsel, determines in good faith that such action is reasonably required for the FPB board to comply with its fiduciary duties to shareholders imposed by applicable law, (B) prior to furnishing such information to, or entering into discussions or negotiations with, such third party, FPB provides written notice to Peoples to the effect that it is furnishing information to, or entering into discussions or negotiations with, such third party, (C) prior to furnishing such information to such third party, FPB receives from such third party an executed confidentiality agreement with terms no less favorable to FPB than those governing confidentiality between Peoples and FPB, and (D) FPB keeps Peoples informed, on a current basis, of the status and details of any such discussions or negotiations.

In the event that FPB or First Commonwealth Bank determines in good faith to pursue a superior competing transaction and terminate the Merger Agreement in order to fulfill its fiduciary duties to the shareholders of FPB under applicable law, FPB must, in connection with the termination of the Merger Agreement, pay to Peoples the sum of \$1,800,000.

Amendment

The Merger Agreement may be amended or modified at any time prior to the effective time of the Merger by an agreement in writing signed by Peoples and FPB, except that the Merger Agreement may not be amended after the FPB special meeting if such amendment would void adoption and approval of the Merger Agreement by FPB's shareholders under Ohio law.

COMPARISON OF CERTAIN RIGHTS OF FPB AND PEOPLES SHAREHOLDERS

Peoples is incorporated under the laws of the State of Ohio and, accordingly, the rights of its shareholders are governed by Ohio law and its Amended Articles of Incorporation and Regulations, as amended. FPB is incorporated under the laws of the Commonwealth of Kentucky and, accordingly, the rights of its shareholders are governed by Kentucky law and its Articles of Incorporation, as amended, and Bylaws, as amended. Those shareholders of FPB that do not exercise dissenters' rights will receive Peoples common shares in the Merger and, therefore, will become shareholders of Peoples. Although the rights of the holders of Peoples common shares and those of the holders of FPB common stock are similar in many respects, there are some differences. These differences relate to differences between provisions of Peoples' Amended Articles of Incorporation and FPB's Articles of Incorporation, as amended, and differences between provisions of the Regulations of Peoples and the Bylaws of FPB.

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

First Prestonsburg Bancshares Inc.

Peoples Bancorp Inc.

Authorized Capital Stock

Authorized Capital. FPB's Articles authorizes FPB to issue up to 100,000 shares of common stock, without par value.

Authorized Capital. Peoples' Articles authorize Peoples to issue up to (i) 24,000,000 shares of common stock, without par value, and (ii) 50,000 shares of preferred stock, without par value.

As of the record date, there were 80,362 common shares outstanding and no preferred shares outstanding.

As of the record date, there were common shares outstanding and no preferred shares outstanding.

Board of Directors

Number of Directors. The number of directors of Peoples is currently fixed at nine.

Number of Directors. The number of directors of FPB is currently fixed at four.

The number of directors can be fixed or changed at a meeting of shareholders called for the purpose of electing directors by majority vote of the shareholders. The board of directors can also fix or change the number of directors by majority vote, but cannot increase the number of directors to more than 25.

The number of directors can be fixed or changed at a meeting of shareholders called for the purpose of electing directors by majority vote of the shareholders. The board of directors can also fix or change the number of directors by majority vote, but cannot decrease the number of directors to less than nine nor increase the number of directors to more than fifteen.

Election of Directors. At all elections of directors, the candidates receiving the greatest number of votes shall be elected.

Election of Directors. At all elections of directors, the candidates receiving the greatest number of votes shall be elected.

Classification of Directors. FPB's Bylaws provides that directors shall be elected for such terms that the terms of an equal number of directors, as nearly as possible, will expire each year.

Classification of Directors. Beginning with the 2019 annual meeting, each Peoples director shall serve for a one-year term, expiring at the following annual meeting of Peoples shareholders and until such director's successor is duly elected and qualified.

Removal of Directors. Directors of FPB may be removed at a meeting of shareholders called expressly for that purpose, with or without cause, by the affirmative vote of the shareholders holding not less than a majority of the voting power of the corporation. However, no individual director can be removed if the votes cast against his or her removal would be sufficient to

Removal of Directors. Directors of Peoples may be removed at any time, but only for cause, by the affirmative vote of the shareholders holding not less than 75% of the voting power of the corporation.

elect such director if voted cumulatively at a meeting of the shareholders.

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Shareholder Nominations. Any shareholder can propose a candidate for director by giving written notice of such proposal to the secretary. The proposal must contain certain information about the candidate.

Shareholder Meetings

Calling Special Meetings of Shareholders. Under FPB's Bylaws, a special meeting of the shareholders may be called by the chief executive officer; a majority of the directors acting with or without a meeting; or shareholders who hold not less than 20% of all shares entitled to vote at the meeting.

Notice of Shareholder Meetings. Written notice of each annual or special meeting of the shareholders must be sent to the shareholders not less than 10 days and not more than 50 days prior to the meeting.

Record Date. The record date for determining the shareholders who are entitled to vote at any shareholder meeting is fixed by the board of directors. The record date cannot be earlier than the date the record date is set and cannot be less than 10 days and not more than 50 days prior to the meeting.

Voting

Required Vote to Approve Certain Actions. FPB's Articles generally require the affirmative vote of not less than a majority of the voting power of its shareholders to pass an action that requires shareholder approval, including approval of a merger or consolidation of FPB with another entity, unless expressly otherwise required by statute. However, if FPB's board of directors recommends against any of the following actions, the affirmative vote of the holders of not less than 75% of the voting power of FPB shareholders is required to pass the action: (a) a proposed amendment to the Articles; (b) a proposed amendment to the Bylaws; (c) a proposed change to the number of directors by an action of the shareholders; (d) an agreement of merger or consolidation of FPB with another entity; (e) a proposed

Shareholder Nominations. Only those shareholders entitled to vote for the election of directors may submit a nominee for election, by giving written notice of such proposal (delivered or mailed by first-class United States mail, postage prepaid) to the secretary not less than 14 nor more than 50 days prior to the meeting. If less than 21 days' notice of the meeting is given to the shareholders, the nomination must be mailed or delivered to the secretary no later than the close of business on the seventh day following the day on which the notice of the meeting was mailed to the shareholders. The proposal must contain certain information about the candidate and the proposing shareholder and include a consent of the candidate to serve as director if elected.

Calling Special Meetings of Shareholders. Under Peoples' Regulations, a special meeting of the shareholders may be called by the chairman of the board of directors; the president or, in case of the president's absence, death, or disability, the vice president authorized to act as president; the secretary; a majority of the directors acting with or without a meeting; or shareholders who hold not less than a majority of all shares entitled to vote at the meeting.

Notice of Shareholder Meetings. Written notice of each annual or special meeting of the shareholders must be sent to the shareholders not less than 7 and not more than 60 days prior to the meeting.

Record Date. The record date for determining the shareholders who are entitled to vote at any shareholder meeting is fixed by the board of directors. The record date cannot be earlier than the date the record date is set and cannot be more than 60 days prior to the meeting.

Required Vote to Approve Certain Actions. Peoples' Articles generally require the affirmative vote of not less than a majority of the voting power of its shareholders to pass an action that requires shareholder approval, unless expressly provided otherwise by statute. However, if any three members of Peoples' board of directors vote against any of the following actions, the affirmative vote of the holders of not less than 75% of the voting power of Peoples shareholders is required to pass the action: (a) a proposed amendment to the Articles; (b) proposed new Regulations or an alteration, amendment or repeal of the Regulations; (c) an agreement of merger or consolidation providing for the merger or consolidation of Peoples with or into one or more other corporations; (d) a proposed combination or majority share acquisition involving the issuance of shares of Peoples

combination or majority share acquisition involving the issuance of FPB shares and requiring shareholder approval; (f) a proposal to sell, exchange, transfer, or otherwise dispose of all or substantially all of FPB's assets; or (g) a proposed dissolution of FPB.

Dividends

Dividend Distribution. The board of directors of FPB is authorized to set apart, out of the funds available for dividends, reserves for any proper purpose, and is permitted to purchase on behalf of the FPB any shares it has issued, to the extent permitted by law.

and requiring shareholder approval; (e) a proposal to sell, lease, exchange, transfer or otherwise dispose of all or substantially all of Peoples' assets; (f) a proposed dissolution of Peoples; or (g) a proposal to fix or change the number of directors by action of the shareholders.

Dividend Distribution. Subject to certain exceptions, such as those noted below, dividends determined by the board of directors may be declared and paid on any Peoples capital stock. Provided that, if any Peoples designated preferred stock (as defined in Peoples' Articles) is outstanding, no dividend or distribution shall be declared or paid on Peoples common stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF FPB

The following table sets forth information with respect to the FPB common stock beneficially owned by each director of FPB, by certain executive officers of FPB and by persons known to us who may be beneficial owners of more than 5% of FPB common stock. The table also shows the number of shares owned by the directors and executive officers as a group as of , 2019. Except as otherwise indicated, each person shown in the table has sole or shared voting and investment power with respect to the common shares indicated. The business address of each director and executive officer of FPB is 311 N. Arnold Avenue, Prestonsburg, Kentucky 41653.

Name and Position(s) of Director or Executive Officer	Number of Shares of Common Stock Beneficially Owned ⁽¹⁾	Percent of Common Stock Outstanding ⁽²⁾
Burl Wells Spurlock President & Chief Executive Officer, Chairman of the Board	14,728	18.33%
Greg A. Wilson Director	236	0.29%
Directors and Executive Officers as a Group (2 persons)	14,964	18.62%
Beneficial Owners of More than 5%		
Burl Wells Spurlock	14,728	18.33%
Elizabeth Lambert	14,171	17.63%
Daniel W. Spurlock, Trustee of the Daniel W. Spurlock, Revocable Trust Agreement dated January 28, 2014, created by Daniel W. Spurlock, Grantor	14,126	17.58%
John Spurlock	11,502	14.31%
Burl Wells Spurlock Revocable Trust	8,000	9.95%
Burl. W. Spurlock II, Trust Under the Spurlock Family Trust	5,185	6.45%

(1) Unless otherwise indicated in the footnotes to this table, the beneficial owner has sole voting and investment power with respect to all of the FPB common stock reflected in the table.

(2) Based on the sum of 80,362 common shares outstanding.

EXPERTS

The consolidated financial statements of Peoples Bancorp Inc. and subsidiaries appearing in Peoples Bancorp Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2017, and the effectiveness of Peoples Bancorp Inc.'s internal control over financial reporting as of December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on authority of such firm as experts in accounting and auditing. Certain U.S. federal income tax consequences relating to the Merger will also be passed upon for FPB by Crowe LLP.

LEGAL MATTERS

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

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

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

- Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 27, 2018;
 - Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 filed with the SEC on April 27, 2018, July 26, 2018 and November 7, 2018, respectively;
 - Definitive Proxy Statement on Schedule 14A filed with the SEC on March 19, 2018 and Supplement to the Proxy Statement on Schedule 14 A filed with the SEC on April 6, 2018;
 - Current Reports on Form 8-K filed with the SEC on each of April 30, 2018, June 28, 2018 (first 8-K) and November 16, 2018 (other than the portions of those documents not deemed to be filed); and
 - The description of Peoples common shares, no par value, contained in Peoples' Registration Statement on Form 8-A dated July 20, 1993 and any amendment or report filed with the SEC for the purpose of updating such description.
- In addition, Peoples is incorporating by reference any documents it may file under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended after the date of this document and prior to the date of the special meeting of FPB shareholders.

Peoples files annual, quarterly and special reports, proxy statements and other business and financial information with the SEC. You may obtain the information incorporated by reference and any other materials Peoples files with the SEC without charge by following the instructions in the section entitled "Where You Can Find More Information" in the forepart of this document.

Neither Peoples nor FPB has authorized anyone to give any information or make any representation about the Merger or its companies that is different from, or in addition to, that contained in this document or in any of the materials that have been incorporated into this document. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this document or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

ANNEX A

AGREEMENT AND PLAN OF MERGER
dated as of
October 29, 2018
by and between
PEOPLES BANCORP INC.
and
FIRST PRESTONSBURG BANCSHARES INC.

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