

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|---|---|---|----------------------|
| 1 Issuer's name North Akron Savings Bank | | 2 Issuer's employer identification number (EIN) 34-0431900 | |
| 3 Name of contact for additional information Katie Bailey | 4 Telephone No. of contact 740-373-3155 | 5 Email address of contact Kathryn.Bailey@pebo.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 138 Putnam Street | | 7 City, town, or post office, state, and Zip code of contact Marietta, OH 45750 | |
| 8 Date of action October 24, 2014 | | 9 Classification and description Common stock | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 24, 2014, North Akron Savings Bank ("NASB") merged with and into Peoples Bancorp Inc. ("Peoples"), with Peoples surviving. For U.S. federal income tax purposes, the parties treated the merger as a reorganization described in Internal Revenue Code Section 368(a). Immediately prior to the merger, NASB had outstanding shares of common stock. Pursuant to the merger, each share of NASB common stock was converted into: \$7,655 in cash, or \$7,655 in Peoples' common stock, or a combination of both. The consideration received by each NASB shareholder was subject to reallocation in order to ensure that 20% of the consideration consists of cash and 80% consists of Peoples' common stock. No fractional shares of Peoples common stock were issued in the merger, rather Peoples paid cash in lieu of fractional shares.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Each NASB shareholder's tax basis in the shares of Peoples common stock received equals the adjusted tax basis of the shares of the NASB stock exchanged thereof, increased by the holder's recognized gain, if any, and decreased by the amount of any cash such holder received in the exchange.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The calculations are based upon the exchange ratio agreed to in the merger agreement, as described in paragraph 14 above.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Sections 302, 354, 356, 358, and 368.

18 Can any resulting loss be recognized? ▶ Loss may be recognized only to the extent of cash received in lieu of common or fractional shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Reportable year is 2014.

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|------------------------|---|---|--------------------------------|---|-------------------|
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. | | | | |
| | Signature ▶ | <i>Katie Bailey</i> | Date ▶ | <u>12/8/14</u> | |
| Paid Preparer Use Only | Print your name ▶ <u>Katie Bailey</u> | | Title ▶ <u>SVP, Controller</u> | | |
| | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | David L. Phillips | <i>David L. Phillips</i> | <u>12/4/14</u> | | <u>P01220686</u> |
| | Firm's name ▶ <u>Ernst & Young LLP</u> | Firm's address ▶ <u>900 United Center, 500 Virginia Street East, Charleston, WV 25301</u> | | Firm's EIN ▶ | <u>34-6565596</u> |
| | | | Phone no. | <u>304-343-8971</u> | |