

June 8, 2006

Subject: Your proposed FHLB Capital Rule Issued 3/15/06

Before I begin my comment, I would like you to know that I am the current CFO of a \$1.8 billion asset holding company with a single bank subsidiary that is also \$1.8 billion in assets and, like 99 plus percent of companies our size, are a community bank which operates offices in a relatively limited geographic footprint, which for us is primarily Southeastern Ohio, Northern West Virginia along the Ohio river and Northeastern Kentucky.

Having been the person in charge of finance at this company since 1982, I think it is important to acknowledge the significant contribution that we have received from being a community bank member of the FHLB of Cincinnati and the personal thanks I want to give to the FHFB, the FHLB system and particularly the FHLB of Cincinnati for the many years of service you have given us!

Now, I would like to pass on my thoughts and feelings about the reason I feel it necessary to send this email. Needless to say our company, and I personally, find your proposed legislation to have the potential to be some of the most punitive legislation for medium and small banking companies like us that I have seen in my twenty four year tenure at Peoples Bank National Association. It is beyond anything that even remotely passes my test for reasonableness and common sense.

While I could recite any number of reasons why the legislation is detrimental to the members of the FHLB system, I already know you have been informed of those reasons in recent communications from the FHLBs and other bankers who have previously sent communications to you. Instead, I want to keep this message short and sweet. If you place any value on the current benefit that bankers like Peoples NA in Marietta, Ohio receive from our access to the FHLB of Cincinnati based on the way it currently does business, you will withdraw this proposed regulation without any further delay! Otherwise the cost to companies like ours will place us at an ever increasing disadvantage to our larger financial services competitors.

Thank you for your time and consideration!

John W. Conlon  
Chief Financial Officer  
Peoples Bancorp, Inc. and Peoples Bank National Association  
138 Putnam Street  
Marietta, OH 45750  
JConlon@pebo.com