

2005 Annual Report

Peoples Bancorp of North Carolina



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Peoples Bancorp
OF NORTH CAROLINA, INC.



Peoples Bancorp

OF NORTH CAROLINA, INC.

Our name says what we do—serve people. Since 1912, Peoples Bank and Peoples Bancorp of North Carolina have strived to bring financial strength and opportunity to the citizens of the communities we serve, while at the same time rewarding our shareholders with stability and return. We believe this year both groups have been well served. And there is every indication they will continue to be in years to come.

Table of Contents

President's Message	1
Financial Performance	2
Financial Highlights	3
Selected Financial Data	4
Report of Independent Registered Public Accounting Firm	5
Consolidated Balance Sheets	6
Consolidated Statements of Earnings	7
Shareholder and General Information	8
Board of Directors	8
Officers and Subsidiaries	9

From the President



As we look back upon our 93rd year of service to our banking clients, I feel that we have been successful in converting our program of work for 2005 into meaningful opportunities for shareholders, customers, and employees at Peoples Bancorp of North Carolina, Inc. Key attributes which have contributed to our success during the year include energy, determination, and commitment at all levels.

Such attributes pushed Peoples Bancorp to realize its greatest year in terms of consolidated earnings and asset attainment levels. Consolidated net income increased 43% over the past twelve months and totaled \$6.3 million at December 31, 2005—the highest in the Company's history. Total assets increased 6% and reached a new plateau of \$730.3 million at December 31, 2005. This success was recognized in the marketplace as the market value of Peoples Bancorp common stock closed at \$22.50 per share—a 28% increase over the prior year-end's closing price.

In a local economy that has recently been plagued with plant closings and related work force reductions, we would like to think that most of these challenges are behind us and that our near-term economic outlook is on more positive footing. An indicator that such a shift could be possible is represented by the fact that total outstanding loans increased 6% to \$566.7 million at fiscal year-end 2005. To add to this indicator of a firming economy, I am pleased to report that classified loans continued to decrease during the year just ended.

Deposit growth continued an upward trend in 2005 with total deposits amounting to \$582.9 million at December 31, 2005—an increase of 5% over the prior year. It is especially meaningful to note that core deposits, comprised of non-interest bearing deposits, NOW, MMDA, savings and certificates of deposit of denominations less than \$100,000, increased by \$28.2 million during the year.

Shareholders' equity increased to \$54.4 million, or 7.44% of total assets, at year-end 2005. Total cash dividends paid to shareholders amounted to \$1.4 million last year, an increase of 12.5%. The increase resulted from a 10% stock dividend, which was distributed to shareholders during first quarter, coupled with an increase in the dividend rate in the amount of \$0.01 per share during the fourth quarter. Total cash dividends paid for 2005 amounted to \$0.41 per share.

Activities associated with Banco de la Gente, our Company's financial model for the Latino community in Mecklenburg County, have made positive contributions to the income stream while providing meaningful financial services to the fastest growing segment of our population who might otherwise be unbanked. It pleases me to share with you that this business unit exceeded all goals during 2005 which had been established when the initiative was launched. We now serve the Charlotte market with two locations—the original office on South Boulevard and a second business center located on Central Avenue which opened during the first quarter of last year. We also continue our search for additional sites for expansion in the Charlotte area and beyond.

During 2005, we successfully implemented our self-contained Service Center. This business unit is responsible for receiving and responding to incoming customer service-related telephone calls that would otherwise be routed to our business centers or support services. By sending such calls to the Service Center, front-line personnel are now afforded

more time to focus on account penetration and exceptional customer service delivery. I would encourage you to try this new service by calling the Peoples Bank Customer Service Center at 828-466-1765 or 877-802-1212. This strategic initiative is already proving to be advantageous in that services per household and accounts per household now exceed national averages in each category. In addition, customer service index scores have increased based upon data from outside sources.

We could not realize the success we have experienced without the cooperation and commitment of our dedicated staff. Our talented bankers go beyond what is expected of them on a daily basis to ensure that exceptional customer service is not only an ideal—but a reality here at Peoples Bank and Peoples Bancorp. Their relentless desire to set this Company apart from our competition drives them to actively seek financial solutions that are unique to each customer. I wish to use this opportunity to thank each of them for their tireless efforts in behalf of this Company.

The guidance and direction provided by your Board of Directors are invaluable. I am deeply appreciative of their willingness to support management in advancing the Corporation's goals and objectives while providing appropriate oversight in this process. The commitment that these individuals continue to make should never be taken for granted.

I would also like to take this opportunity to remind you of financial solutions offered by two wholly owned subsidiaries of Peoples Bank – Peoples Investment Services, Inc. and Real Estate Appraisal Services, Inc. Peoples Investment Services, Inc. offers access to a wide array of financial services including mutual funds, annuities, IRAs, stocks, bonds, life insurance, long-term care insurance and trust services as well as retirement planning services. Securities are offered exclusively through Raymond James Financial Services, Inc., member NASD/SIPC, an independent broker/dealer, and are not insured by the FDIC or any other Bank insurance. Real Estate Advisory Services, Inc. operates as a real estate firm specializing in real estate appraisals, consulting, and property management. Our real estate subsidiary creates a value-added feature to the Bank's mortgage lending department through the use of specialized technology utilized in the appraisal process.

2006 will, no doubt, bring its own set of new challenges and opportunities for continued growth. Based on how we have positioned ourselves during 2005, I believe we are poised to capitalize upon such opportunities, and I look forward to the challenges that lie ahead. As shareholders and customers of this Company, please continue to favor us with your thoughts, ideas, and referrals for new business. Feel free to visit our website at www.peoplesbanknc.com for additional information including our online banking product. Thank you for your support.

Sincerely,

Tony W. Wolfe
President and Chief Executive Officer

Financial Performance Summary

Net income for the year ended December 31, 2005 totaled \$6.3 million or \$1.84 basic net income per share and \$1.80 diluted net income per share as compared to \$4.4 million or \$1.28 basic net income per share and \$1.26 diluted net income per share for the year ended December 31, 2004. The increase in consolidated net earnings for 2005 was primarily attributable to an increase in net interest income, an increase in non-interest income and a decrease in the Company's provision for loan losses, which were partially offset by an increase in non-interest expense. Net interest income increased 17% to \$27.9 million for the year ended December 31, 2005 compared to \$24.0 million for the previous year. This increase is attributable to an increase in interest income due to an increase in the prime rate resulting from Federal Reserve interest rate increases combined with an increase in the average outstanding balance of available for sale securities. The Company's provision for loan losses amounted to \$3.1 million for the year ended December 31, 2005, as compared to \$3.3 million in 2004. The decrease in the provision for loan losses reflected a \$5.3 million decrease in classified loans. At December 31, 2005, the ratio between the allowance for loan losses and total outstanding loans was 1.31% as compared to 1.50% at December 31, 2004.

Non-interest income increased 11% to \$6.7 million during the year ended December 31, 2005 as compared to \$6.0 million for the prior year. The increase in non-interest income was primarily due to an increase in fee income from the Bank's Banco de la Gente branches, which were in operation for the first full year in 2005, an increase in debit card fee income and an increase in mortgage banking income. Non-interest expense increased 9% in 2005 to \$21.8 million as compared to \$20.1 million in 2004. The increase in non-interest expense included an increase of \$873,000, or 8%, in salaries and benefits expense primarily due to normal salary increases and increased incentive expense, an increase of \$277,000, or 8%, in occupancy expense, primarily due to an increase in furniture and equipment expense and lease expense, and a 12% increase in non-interest expenses other than salary, benefits and occupancy expenses.

Total assets grew 6% at December 31, 2005 to \$730.3 million as compared to \$686.3 million at December 31, 2004. The Company increased its investment securities portfolio in 2005 by \$10.0 million combined with an increase of \$31.2 million in loans. Loans at December 31, 2005 totaled \$566.7 million while deposits totaled \$582.9 million, an increase of 5% from the prior year.

Shareholders' equity amounted to \$54.4 million at December 31, 2005. The Company's shareholders' equity to total assets was 7.44% at December 31, 2005 as compared to 7.42% at December 31, 2004. The Company ended the year as a well-capitalized financial institution. Directors of Peoples Bancorp authorized cash dividends to shareholders in the amount of \$0.41 per share during 2005, which totaled \$1.4 million.

Book value per share was \$15.80 at December 31, 2005 as compared to \$14.77 at December 31, 2004. Peoples Bancorp common stock closed at \$22.50 per share on December 31, 2005 as compared to \$17.52 on December 31, 2004.

Financial Highlights

<i>dollars in thousands except per share amounts</i>	2005	2004	Change
Interest income	\$ 43,371	36,292	20%
Interest expense	15,429	12,335	25%
Net interest income after provision for loan losses	24,832	20,701	20%
Non-interest income	6,696	6,020	11%
Non-interest expense	21,816	20,057	9%
Income taxes	3,381	2,233	51%
Net income	\$ 6,331	4,431	43%
Per Share*			
Basic net income	\$ 1.84	1.28	44%
Diluted net income	1.80	1.26	43%
Cash dividends	0.41	0.36	14%
Market price at December 31	22.50	17.52	28%
Book value at December 31	15.80	14.77	7%
At Year-end			
Loans, net	\$ 559,239	527,419	6%
Mortgage loans held for sale	2,248	3,783	-41%
Available for sale securities	115,158	105,598	9%
Assets	730,280	686,348	6%
Deposits	582,854	556,522	5%
Shareholders' equity	54,353	50,938	7%
Key Performance Ratios			
Return on average assets	0.90%	0.65%	
Return on average shareholders' equity	11.31%	8.52%	
Dividend payout ratio	22.34%	28.37%	
Average shareholders' equity to total average assets	7.92%	7.59%	

**Per share computations have been retroactively restated to reflect a 10% stock dividend during first quarter 2005.*

Selected Financial Data

<i>dollars in thousands except per share amounts</i>	2005	2004	2003	2002	2001
Summary of Operations					
Interest income	\$ 43,371	36,292	34,935	36,649	41,932
Interest expense	15,429	12,335	12,749	15,777	23,027
Net interest income	27,942	23,957	22,186	20,872	18,905
Provision for loan losses	3,110	3,256	6,744	5,432	3,545
Net interest income after provision for loan losses	24,832	20,701	15,442	15,440	15,360
Non-interest income	6,696	6,020	5,845	6,466	8,229
Non-interest expense	21,816	20,057	18,228	16,758	16,752
Income before taxes	9,712	6,664	3,059	5,148	6,837
Income taxes	3,381	2,233	1,055	1,712	2,262
Net income	\$ 6,331	4,431	2,004	3,436	4,575
Selected Year-End Balances					
Assets	\$ 730,280	686,348	674,032	645,638	619,505
Available for sale securities	115,158	105,598	79,460	71,736	84,286
Loans, net	559,239	527,419	542,404	519,122	484,517
Mortgage loans held for sale	2,248	3,783	587	5,065	5,339
Interest-earning assets	692,402	652,678	639,501	608,619	586,496
Deposits	582,854	556,522	549,802	515,739	490,223
Interest-bearing liabilities	576,681	553,135	550,357	527,525	516,422
Shareholders' equity	\$ 54,353	50,938	48,554	48,605	45,401
Shares outstanding*	3,440,805	3,448,341	3,448,722	3,446,902	3,540,585
Selected Average Balances					
Assets	\$ 706,843	684,385	661,077	625,227	575,142
Available for sale securities	108,690	93,770	72,072	77,414	84,549
Loans	550,545	547,753	539,559	507,879	454,371
Interest-earning assets	668,181	650,095	625,764	592,947	545,945
Deposits	570,997	558,142	533,703	499,224	481,289
Interest-bearing liabilities	563,210	553,880	540,676	516,747	472,435
Shareholders' equity	\$ 55,989	51,978	49,971	48,257	47,432
Shares outstanding*	3,449,873	3,459,379	3,447,056	3,467,173	3,540,585
Profitability Ratios					
Return on average total assets	0.90%	0.65%	0.30%	0.55%	0.80%
Return on average shareholders' equity	11.31%	8.52%	4.01%	7.12%	9.65%
Dividend payout ratio	22.34%	28.37%	62.56%	36.58%	28.14%
Liquidity and Capital Ratios (averages)					
Loan to deposit	96.42%	98.14%	101.10%	101.73%	94.41%
Shareholders' equity to total assets	7.92%	7.59%	7.56%	7.72%	8.25%
Per share of common stock*					
Basic net income	\$ 1.84	1.28	0.58	0.99	1.29
Diluted net income	\$ 1.80	1.26	0.58	0.99	1.29
Cash dividends	\$ 0.41	0.36	0.36	0.36	0.36
Book value	\$ 15.80	14.77	14.08	14.10	12.83

*Shares outstanding and per share computations have been retroactively restated to reflect a 10% stock dividend during first quarter 2005.

Report of Independent Registered Public Accounting Firm



Porter Keadle Moore, LLP

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Peoples Bancorp of North Carolina, Inc.
Newton, North Carolina

We have audited the consolidated balance sheets of Peoples Bancorp of North Carolina, Inc. as of December 31, 2005 and 2004, and the related consolidated statements of earnings, changes in shareholders' equity, comprehensive income and cash flows for each of the three years in the period ended December 31, 2005. Such consolidated financial statements and our report thereon dated March 4, 2006, expressing an unqualified opinion (which are not included herein) are included in the proxy statement for the 2006 annual meeting of shareholders. The accompanying condensed consolidated balance sheets and consolidated statements of earnings are the responsibility of the Company's management. Our responsibility is to express an opinion on such consolidated balance sheets and consolidated statements of earnings in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2005 and 2004 and the related consolidated statements of earnings for each of the three years in the period ended December 31, 2005, is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

Porter Keadle Moore, LLP

Atlanta, Georgia
March 4, 2006

Certified Public Accountants

Suite 1800 • 235 Peachtree Street NE • Atlanta, Georgia 30303 • Phone 404-588-4200 • Fax 404-588-4222 • www.pkm.com

Consolidated Balance Sheets

December 31, 2005 and 2004	2005	2004
Assets		
Cash and due from banks, including reserve requirements of \$5,229,000 and \$4,643,000	\$ 18,468,999	15,067,871
Federal funds sold	1,347,000	1,723,000
Cash and cash equivalents	19,815,999	16,790,871
Investment securities available for sale	115,158,184	105,598,106
Other investments	5,810,749	5,396,959
Total securities	120,968,933	110,995,065
Mortgage loans held for sale	2,247,900	3,783,175
Loans	566,663,416	535,467,733
Less allowance for loan losses	(7,424,782)	(8,048,627)
Net loans	559,238,634	527,419,106
Premises and equipment, net	12,662,153	12,742,730
Cash surrender value of life insurance	6,311,757	6,034,188
Accrued interest receivable and other assets	9,034,239	8,582,937
Total assets	\$ 730,279,615	686,348,072
Liabilities and Shareholders' Equity		
Deposits:		
Non-interest bearing demand	\$ 94,660,721	78,024,194
NOW, MMDA & savings	183,248,699	193,917,507
Time, \$100,000 or more	152,410,976	154,300,926
Other time	152,533,265	130,279,446
Total deposits	582,853,661	556,522,073
Demand notes payable to U.S. Treasury	1,473,693	1,184,392
Securities sold under agreement to repurchase	981,050	-
FHLB borrowings	71,600,000	59,000,000
Junior subordinated debentures	14,433,000	14,433,000
Accrued interest payable and other liabilities	4,585,217	4,270,755
Total liabilities	675,926,621	635,410,220
Shareholders' equity:		
Preferred stock, no par value; authorized 5,000,000 shares; no shares issued and outstanding	-	-
Common stock, no par value; authorized 20,000,000 shares; issued and outstanding 3,440,805 shares in 2005 and 3,135,074 shares in 2004	41,096,500	35,040,390
Retained earnings	14,656,160	16,018,206
Accumulated other comprehensive income	(1,399,666)	(120,744)
Total shareholders' equity	54,352,994	50,937,852
Total liabilities and shareholders' equity	\$ 730,279,615	686,348,072

Refer to Appendix A of Peoples Bancorp of North Carolina, Inc. Proxy Statement, dated April 3, 2006, for a complete set of Consolidated Financial Statements.

Consolidated Statements of Earnings

For the Years Ended December 31, 2005, 2004 and 2003	2005	2004	2003
Interest income:			
Interest and fees on loans	\$ 38,609,667	32,290,835	31,612,448
Interest on federal funds sold	72,578	35,236	58,384
Interest on investment securities:			
U.S. Government agencies	3,584,755	2,903,865	2,244,375
States and political subdivisions	735,892	660,227	577,339
Other	367,875	402,080	441,958
Total interest income	43,370,767	36,292,243	34,934,504
Interest expense:			
NOW, MMDA & savings deposits	2,644,413	1,899,249	1,318,820
Time deposits	8,923,488	7,145,486	8,157,388
FHLB borrowings	2,888,785	2,602,866	2,597,043
Junior subordinated debentures	938,145	676,547	667,526
Other	33,790	10,518	7,891
Total interest expense	15,428,621	12,334,666	12,748,668
Net interest income	27,942,146	23,957,577	22,185,836
Provision for loan losses	3,110,000	3,256,000	6,743,900
Net interest income after provision for loan losses	24,832,146	20,701,577	15,441,936
Other income:			
Service charges	3,779,933	3,434,544	3,266,949
Other service charges and fees	1,141,879	677,191	610,591
Loss on sale of securities	(729,727)	(63,688)	(52,855)
Mortgage banking income	469,109	356,782	604,568
Insurance and brokerage commissions	386,662	429,788	420,762
Loss on sale of repossessed assets	(37,811)	(179,886)	(746,543)
Gain on sale of loans	-	-	478,759
Miscellaneous	1,686,334	1,365,397	1,262,883
Total other income	6,696,379	6,020,128	5,845,114
Other expense:			
Salaries and employee benefits	12,350,119	11,477,495	10,099,811
Occupancy	3,948,694	3,672,051	3,389,857
Other	5,517,832	4,907,923	4,738,253
Total other expenses	21,816,645	20,057,469	18,227,921
Earnings before income taxes	9,711,880	6,664,236	3,059,129
Income taxes	3,380,900	2,233,300	1,055,538
Net earnings	\$ 6,330,980	4,430,936	2,003,591
Basic earnings per share	\$ 1.84	1.28	0.58
Diluted earnings per share	\$ 1.80	1.26	0.58
Cash dividends declared per share	\$ 0.41	0.36	0.36

Refer to Appendix A of Peoples Bancorp of North Carolina, Inc. Proxy Statement, dated April 3, 2006, for a complete set of Consolidated Financial Statements.

Shareholder and General Information


Annual Meeting

The Annual Meeting of Shareholders of Peoples Bancorp will be held at 11:00 A.M., on Thursday, May 04, 2006, at the Catawba Country Club located at 1154 Country Club Road, Newton, North Carolina.

Shareholders' Luncheon

Shareholders in attendance at the Annual Meeting are cordially invited to remain for a luncheon to be served immediately upon adjournment.

Common Stock

Peoples Bancorp common stock is traded on the over-the-counter (OTC) market and quoted in the NASDAQ (National Association of Securities Dealers Automated Quotations) National Market System, where our symbol is PEBK. 

Price and volume information is contained in the Wall Street Journal; and most major daily newspapers in the "Over-the-Counter Markets" section under the National Market System listing. Peoples Bancorp stock is marketed by Scott & Stringfellow, Inc.; Ryan, Beck & Company and Sterne Agee & Leach, Inc.

Dividend Reinvestment & Stock Purchase

Peoples Bancorp offers a Dividend Reinvestment and Stock Purchase Plan for the benefit of the Corporation's shareholders. The Plan provides for the full or partial reinvestment of cash dividends, optional cash purchases of the Corporation's stock, safekeeping of the share certificates, liquidation of shares, and gifting of shares and enrollment of the designated recipients.

Registrar and Transfer Company, Cranford, New Jersey is the Plan Administrator. For more information one may call the Investor Relations Department at Peoples Bancorp at 828-464-5620 or 800-948-7195 or contact the Plan Administrator at 800-368-5948.

Shareholders of Peoples Bancorp are entitled to receive dividends when and as declared by the Board of Directors out of funds legally available therefore.

Such dividend payments are declared based upon the guidelines of North Carolina and federal banking law.

As of March 06, 2006, the Company had 702 shareholders of record, not including the number of persons or entities whose stock is held in nominee or street name through various brokerage firms or banks.

Corporate Office

Peoples Bancorp of North Carolina, Inc.
518 West C Street
P.O. Box 467
Newton, NC 28658
828-464-5620

Stock Transfer Agent & Registrar

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016-3572

Independent Auditors

Porter Keadle Moore, LLP
235 Peachtree Street, NE
Suite 1800
Atlanta, GA 30303

Peoples Bank and Peoples Bancorp Board of Directors

Robert C. Abernethy

Chairman of the Board
Peoples Bancorp of North Carolina, Inc.
and Peoples Bank

President, Secretary and Treasurer
Carolina Glove Company, Inc.

James S. Abernethy

President and Assistant Secretary
Midstate Contractors, Inc.

Douglas S. Howard

Vice President
Howard Ventures, Inc.

Secretary and Treasurer

Denver Equipment of Charlotte, Inc.

John W. Lineberger, Jr.

President
Lincoln Bonded Warehouse Company

Gary E. Matthews

President
Matthews Construction Company, Inc.

Dr. Billy L. Price, Jr., M.D.

Practicing Internist and Partner
Catawba Valley Internal Medicine, P.A.

Clinical Instructor

Wake Forest University School of Medicine

Larry E. Robinson

President and Chief Executive Officer
The Blue Ridge Distributing Company, Inc.

W. Gregory Terry

Executive Vice President
Drum and Willis-Reynolds Funeral Homes
and Crematory

Dan Ray Timmerman, Sr.

President
Timmerman Manufacturing, Inc.

Benjamin I. Zachary

General Manager, Treasurer, Secretary and
Member of the Board of Directors
Alexander Railroad Company

Officers and Subsidiaries

Peoples Bancorp Officers

Tony W. Wolfe

President and Chief Executive Officer

Joseph F. Beaman, Jr.

Executive Vice President and Corporate Secretary

A. Joseph Lampron

Executive Vice President, Chief Financial Officer and Corporate Treasurer

Peoples Bank Officers

Tony W. Wolfe – President and Chief Executive Officer

Joseph F. Beaman, Jr. – Executive Vice President, Chief Administrative Officer and Corporate Secretary

A. Joseph Lampron – Executive Vice President, Chief Financial Officer

Lance A. Sellers – Executive Vice President, Chief Banking Officer

William D. Cable – Executive Vice President, Chief Operations Officer

Kimberly L. Boyd – Senior Vice President, Banking Support

David E. Reitzel – Senior Vice President, Real Estate Administration

Clifton A. Wike – Senior Vice President, Senior Lender

Kimberly D. Bazzle – First Vice President, Marketing and Training

David C. Brown – First Vice President, Certified Financial Planner

Steven F. Cloninger – First Vice President, Credit Administration

George S. Earp – First Vice President, Finance

Jeffrey P. Gniadek – First Vice President, Area Executive

James O. Perry – First Vice President, Retail Banking Manager

J. Manuel Rey – First Vice President, Director of Latino Banking

Daniel F. Richard – First Vice President, Senior Lender

Kyle E. Sigmon – First Vice President, Consumer Credit

Mark W. Sigmon – First Vice President, Area Executive

Brenda L. Terrell – First Vice President, Application Operations Manager

John M. Woods – First Vice President, Area Executive

Nancy A. Anderson – Vice President, Mortgage Loan Originator

Leslie H. Auton – Vice President, Business Development Officer

Lance A. Sellers

Executive Vice President and Assistant Corporate Secretary

William D. Cable

Executive Vice President and Assistant Corporate Treasurer

Patsy D. Black – Vice President, Business Center Manager, Triangle Crossing

Christopher L. Brookshire – Vice President, RAA/GAA

Kay F. Deal – Vice President, Business Center Manager, Conover

John R. Duncan – Vice President, Problem Asset Manager

Barbara K. Farnsworth – Vice President, Business Center Manager, Lincolnton

J. Louis Fletcher – Vice President, Business Development Officer

Mark W. Gustafson – Vice President, Investment Account Executive

Tommie A. Hall – Vice President, Loan Documentation

Diane L. Klein – Vice President, Business Center Manager, Viewmont

M. Beth LaBarbera – Vice President, Business Center Manager, Springs Road

E. Dean Lawing – Vice President, Mortgage Loan Underwriter

David S. Lewis, Jr. – Vice President, Business Development Officer

Tommy C. McNeely – Vice President, Business Development Officer

Cynthia H. McRee – Vice President, Business Center Manager, Catawba Valley Blvd.

Rick D. Moser – Vice President, Business Development Officer

Tammy H. Pope – Vice President, Business Systems

Hight D. Reid – Vice President, Business Center Manager, West Lincoln

Jeanette R. Ringley – Vice President, Business Center Manager, Newton

Peoples Bank Subsidiaries' Board of Directors and Officers

Peoples Investment Services, Inc.

Board of Directors

Robert C. Abernethy	Dr. Billy L. Price, Jr.
David C. Brown	Larry E. Robinson
Douglas S. Howard	Tony W. Wolfe

Officers

Tony W. Wolfe – President
David C. Brown – Vice President and Assistant Secretary
Joseph F. Beaman, Jr. – Secretary
A. Joseph Lampron – Treasurer

Real Estate Advisory Services, Inc.

Board of Directors

Robert C. Abernethy	Dan Ray Timmerman, Sr.
David E. Reitzel	Tony W. Wolfe

Officers

Tony W. Wolfe – President
David E. Reitzel – Vice President
Joseph F. Beaman, Jr. – Secretary
A. Joseph Lampron – Treasurer



Bank Locations

Peoples Bancorp Center
518 West C Street
PO Box 467
Newton, NC 28658
(828) 464-5620
Toll Free (800) 948-7195

Customer Service Center
(828) 466-1765
Toll Free (877) 802-1212

Catawba
106 North Main Street
Catawba, NC 28609
(828) 241-3123

Catawba Valley Boulevard
2050 Catawba Valley Blvd. SE
Hickory, NC 28602
(828) 322-6372

Claremont
3261 East Main Street
Claremont, NC 28610
(828) 459-7152

Conover
213 First Street West
Conover, NC 28613
(828) 464-8456

Denver
6125 Highway 16 South
Denver, NC 28037
(704) 483-3050

Hiddenite
5153 NC Highway 90 East
Hiddenite, NC 28636
(828) 632-0118
(704) 585-6631

Lincolnton
1910 East Main Street
Lincolnton, NC 28092
(704) 732-0097

Maiden
200 Island Ford Road
Maiden, NC 28650
(828) 428-9874

Newton
420 West A Street
Newton, NC 28658
(828) 464-5663

North Newton
2619 North Main Avenue
Newton, NC 28658
(828) 464-8664

Springs Road
3310 Springs Road NE
Hickory, NC 28601
(828) 256-9229

Triangle
142 Highway 16 South
Denver, NC 28037
(704) 483-7727
(704) 827-2370

Viewmont
1333 2nd Street NE
Hickory, NC 28601
(828) 345-6262

West Lincoln
760 Highway 27 West
Lincolnton, NC 28092
(704) 736-1447

Satellite Location
Abernethy Laurels
102 Leonard Avenue
Newton, NC 28658
(828) 464-3077

Banco de la Gente
6300 South Boulevard
Charlotte, NC 28217
(704) 554-7494

Banco de la Gente
4451-A Central Avenue
Charlotte, NC 28205
(704) 531-4571

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