



**Peoples Bancorp**  
OF NORTH CAROLINA, INC.

08

Annual Report



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## FROM THE PRESIDENT



Peoples Bancorp ended fiscal year 2008 with consolidated net income of \$6.4 million, or \$1.14 basic net income per share and \$1.13 diluted net income per share. These financial results represented the third highest level of earnings in the Company's history and were accomplished while local and national economies deteriorated to the point where the U.S. Government confirmed that our nation was in a recession. It is also important to note that Peoples Bank continued to operate within the top tier of community banks in North Carolina based upon 2008 financial performance. In comparison, in 2007 net income totaled \$9.6 million, or \$1.68 basic net income per share

and \$1.65 diluted net income per share, and represented the highest earnings in the Company's existence.

In December 2008, Peoples Bancorp was approved to participate in the U.S. Treasury Department's Capital Purchase Program ("CPP") under the Troubled Asset Relief Program. The CPP was a voluntary program in which selected, healthy financial institutions were encouraged to participate. The intention of such participation was designed to stimulate the economic development of our communities and assist in the restoration of the local and national economy. We are pleased that our financial strength qualified Peoples Bancorp to participate in the program. We considered this as a vote of confidence in our Company, our management, and our employees. Our intent is to deploy these funds to provide credit to qualified borrowers, either as companies or individuals, as well as other appropriate investments.

Shareholders' equity increased to \$101.1 million, or 10.44% of total assets, at December 31, 2008. For the year December 31, 2007, shareholders' equity totaled \$70.1 million, or 7.73% of total assets. Peoples Bancorp, therefore, remains a well-capitalized financial institution according to regulatory standards. During 2008, your Board of Directors approved cash dividends for shareholders in the amount of \$0.48 per share which totaled \$2.7 million.

Total assets grew 7% during 2008 and totaled \$968.8 million at year-end. The growth in assets was primarily attributable to growth in our loan portfolio which increased 8% to \$781.2 million at December 31, 2008. Total non-performing assets amounted to \$14.2 million at December 31, 2008 as compared to \$8.5 million at year-end 2007. The most significant movement of loans to non-performing status during 2008, totaling \$2.8 million, occurred during fourth quarter and reflected sharply deteriorating economic conditions, a rise in local unemployment, and reduced real estate values. The allowance for loan losses at December 31, 2008 amounted to \$11.0 million, or 1.41% of total loans, compared to \$9.1 million, or 1.26% of total loans at December 31, 2007.

Deposits amounted to \$721.1 million at December 31, 2008 and reflected an increase of 4% over the prior year. Throughout 2008 we focused on the growth of core deposits which represent the Bank's least costly source of funding. As a result, such deposits increased \$7.0 million to \$497.2 million and represented 69% of total deposits at most recent year-end. Given the low interest rate environment in which we expect to operate in 2009, a key initiative for us will be the continued emphasis on increasing our share of core deposits.

Peoples Bank began fiscal year 2008 by opening a new business center on NC State Highway 150 in Mooresville. We also opened our fourth retail office for Banco de la Gente, the Bank's Hispanic banking model. This new office is located on the northern side of Raleigh. We have been extremely pleased with the reception we have received in both of these markets and look forward to the positive impact we can expect as we continue to build our book of business and expand our footprint.

When we ask ourselves what it is that distinguishes Peoples Bank from our competition, we always, without hesitation, return to our employees and recognize them for their tireless commitment to their customers. I am so proud of their individual and collective accomplishments as they work toward the fulfillment of our corporate mission. Our professional bankers welcome the opportunity to assist our customers in meeting their financial goals through exceptional customer service. The reality of All-Day Banking, no ATM fees, remote deposit capture, along with many other financial products that are tailored to individual and business needs provide the tools we need to exceed expectations.

I also recognize the commitment of our board members who have given unselfishly of their time and expertise to ensure that shareholder interests are represented and acted upon. I wish to express appreciation to each of them for their dedication and willingness to lead this Company to its highest potential. The Annual Meeting for Peoples Bancorp of North Carolina is scheduled for May 7, 2009. The Meeting will be held at Catawba Country Club beginning at 11:00 A.M. If you are a shareholder, I would like to encourage your attendance.

It is, of course, unknown as to how deep this current recession will be and how long it will last. It is prudent, therefore, to govern our plan of work for 2009 in a conservative manner consistent with continued sound banking practices that have served us well over the years. We maintain a spirit of cautious optimism as we enter our 97th year of service to our communities. History has demonstrated that we have always emerged as a stronger, more viable organization as a result of having worked through various challenges and economic downturns that have occurred over the decades of our existence.

You can play an integral role in the continued success of Peoples Bancorp by choosing us as your financial partner. In addition to the suite of services provided by Peoples Bank, I wish to remind you of our two wholly-owned subsidiaries, Peoples Investment Services, Inc. and Real Estate Advisory Services, Inc. and the products they offer. We would welcome the opportunity to discuss with you how our combined team can assist in meeting your financial goals. Thanks for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony W. Wolfe". The signature is fluid and cursive, with a prominent loop at the end.

Tony W. Wolfe

President and Chief Executive Officer

## FINANCIAL PERFORMANCE SUMMARY

Net income for the year ended December 31, 2008 totaled \$6.4 million or \$1.14 basic net income per common share and \$1.13 diluted net income per common share as compared to \$9.6 million or \$1.68 basic net income per common share and \$1.65 diluted net income per common share for the year ended December 31, 2007. The decrease in consolidated net earnings for 2008 was primarily attributable to a decrease in net interest income, an increase in provision for loan losses and an increase in non-interest expense, which were partially offset by an increase in non-interest income. Net interest income decreased 4% to \$32.8 million for the year ended December 31, 2008 compared to \$34.1 million for the previous year. This decrease is primarily attributable to a reduction in the Bank's prime commercial lending rate. The decrease in loan interest income resulting from a decline in prime rate was partially offset by an increase in income from derivative instruments. The Company's provision for loan losses amounted to \$4.8 million for the year ended December 31, 2008, as compared to \$2.0 million in 2007. The increase in the provision for loan losses is primarily attributable to an increase in non-performing assets, net charge-offs and increased loan growth. At December 31, 2008, the ratio between the allowance for loan losses and total outstanding loans was 1.41% as compared to 1.26% at December 31, 2007.

Non-interest income increased 19% to \$10.5 million during the year ended December 31, 2008, as compared to \$8.8 million for the prior year. The increase in non-interest income was primarily due to an increase in service charges and fees resulting from growth in deposit base coupled with normal pricing changes, a decrease in the loss on sale and write-down of securities and an increase in mortgage banking income. Non-interest expense increased 11% in 2008 to \$28.9 million as compared to \$26.0 million in 2007. The increase in non-interest expense included an increase of \$1.3 million or 9% in salaries and benefits expense primarily due to normal salary increases and expense associated with additional staff for new branches, an increase of \$278,000 or 6% in occupancy expense primarily due to an increase in furniture and equipment expense and lease expense associated with new offices, and a 18% increase in non-interest expenses other than salary, benefits and occupancy expenses.

Total assets grew 7% at December 31, 2008 to \$968.8 million as compared to \$907.3 million at December 31, 2007. Loans increased 8% in 2008 to \$781.2 million at December 31, 2008 while deposits increased 4% in 2008 to \$721.1 million at December 31, 2008.

Shareholders' equity increased to \$101.1 million, or 10.44% of total assets, at December 31, 2008, as compared to \$70.1 million, or 7.73% of total assets, at December 31, 2007, primarily due to the issuance on December 23, 2008 of Series A senior preferred stock associated with the Company's participation in the U.S. Treasury Department's Capital Purchase Program under the Troubled Asset Relief Program. The Company continues to be a well-capitalized financial institution. Directors of Peoples Bancorp authorized cash dividends to shareholders in the amount of \$0.48 per share during 2008, which totaled \$2.7 million.

Book value per share was \$13.73 at December 31, 2008, as compared to \$12.46 at December 31, 2007. Peoples Bancorp common stock closed at \$9.18 per share on December 31, 2008, as compared to \$15.00 on December 31, 2007.

## FINANCIAL HIGHLIGHTS

Dollars in Thousands Except Per Share Amounts

	2008	2007	Change
Interest income	\$ 56,323	61,732	-9%
Interest expense	23,527	27,585	-15%
Net interest income after provision for loan losses	28,002	32,109	-13%
Non-interest income	10,495	8,816	19%
Non-interest expense	28,893	25,993	11%
Income taxes	3,213	5,340	-40%
Net income	\$ 6,391	9,592	-33%
Per Share of Common Stock*			
Basic net income	\$ 1.14	1.68	-32%
Diluted net income	1.13	1.65	-32%
Cash dividends	0.48	0.41	17%
Market price at December 31	9.18	15.00	-39%
Book value at December 31	13.73	12.46	10%
At Year-end			
Loans, net	\$ 770,163	713,174	8%
Available for sale securities	124,916	120,968	3%
Assets	968,762	907,262	7%
Deposits	721,062	693,639	4%
Shareholders' equity	101,128	70,102	44%
Key Performance Ratios			
Return on average assets	0.69%	1.13%	
Return on average shareholders' equity	8.38%	13.59%	
Dividend payout ratio	41.93%	24.30%	
Average shareholders' equity to total average assets	8.20%	8.34%	

\*Per share computations have been retroactively restated to reflect a 3-for-2 stock split during second quarter 2007.



## SELECTED FINANCIAL DATA

Dollars in Thousands Except Per Share Amounts

	2008	2007	2006	2005	2004
<b>Summary of Operations</b>					
Interest income	\$ 56,323	61,732	55,393	41,913	35,095
Interest expense	23,527	27,585	23,110	15,429	12,335
Net interest income	32,796	34,147	32,283	26,484	22,760
Provision for loan losses	4,794	2,038	2,513	3,110	3,256
Net interest income after provision for loan losses	28,002	32,109	29,770	23,374	19,504
Non-interest income	10,495	8,816	7,554	6,668	6,000
Non-interest expense	28,893	25,993	22,983	20,330	18,840
Income before taxes	9,604	14,932	14,341	9,712	6,664
Income taxes	3,213	5,340	5,170	3,381	2,233
Net income	\$ 6,391	9,592	9,171	6,331	4,431
<b>Selected Year-End Balances</b>					
Assets	\$ 968,762	907,262	818,948	730,280	686,348
Available for sale securities	124,916	120,968	117,581	115,158	105,598
Loans, net	770,163	713,174	643,078	559,239	527,419
Mortgage loans held for sale	-	-	-	2,248	3,783
Interest-earning assets	921,101	853,878	780,082	692,835	653,111
Deposits	721,062	693,639	633,820	582,854	556,522
Interest-bearing liabilities	758,334	718,870	650,364	576,681	553,135
Shareholders' equity	\$ 101,128	70,102	62,835	54,353	50,938
Shares outstanding*	5,539,056	5,624,234	5,745,951	5,677,328	5,689,763
<b>Selected Average Balances</b>					
Assets	\$ 929,799	846,836	772,585	706,843	684,385
Available for sale securities	115,853	120,296	118,137	108,690	93,770
Loans	747,203	665,379	604,427	550,545	547,753
Interest-earning assets	876,425	801,094	732,244	668,614	650,528
Deposits	720,918	659,174	605,407	570,997	558,142
Interest-bearing liabilities	740,478	665,727	613,686	563,210	553,880
Shareholders' equity	\$ 76,241	70,586	62,465	55,989	51,978
Shares outstanding*	5,588,314	5,700,860	5,701,829	5,692,290	5,707,975
<b>Profitability Ratios</b>					
Return on average total assets	0.69%	1.13%	1.19%	0.90%	0.65%
Return on average shareholders' equity	8.38%	13.59%	14.68%	11.31%	8.52%
Dividend payout ratio	41.93%	24.30%	20.78%	22.34%	28.37%
<b>Liquidity and Capital Ratios (averages)</b>					
Loan to deposit	103.65%	100.94%	99.84%	96.42%	98.14%
Shareholders' equity to total assets	8.20%	8.34%	8.09%	7.92%	7.59%
<b>Per share of common stock*</b>					
Basic net income	\$ 1.14	1.68	1.61	1.11	0.77
Diluted net income	\$ 1.13	1.65	1.58	1.09	0.77
Cash dividends	\$ 0.48	0.41	0.33	0.25	0.22
Book value	\$ 13.73	12.46	10.94	9.57	8.95

\*Shares outstanding and per share computations have been retroactively restated to reflect a 10% stock dividend during first quarter 2005, a 10% stock dividend during second quarter 2006 and a 3-for-2 stock split during second quarter 2007.



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, 2008 and 2007, 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, 2008. Such consolidated financial statements and our report thereon dated March 6, 2009, expressing an unqualified opinion (which are not included herein) are included in the proxy statement for the 2009 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, 2008 and 2007 and the related consolidated statements of earnings for each of the three years in the period ended December 31, 2008, 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 6, 2009

Certified Public Accountants

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www.pkm.com

## CONSOLIDATED BALANCE SHEETS

December 31, 2008 and 2007

<b>Assets</b>	2008	2007
Cash and due from banks, including reserve requirements of \$7,257,000 and \$7,439,000	\$ 19,743,047	26,108,437
Interest bearing deposits	1,452,825	1,539,190
Federal funds sold	6,733,000	2,152,000
Cash and cash equivalents	27,928,872	29,799,627
Investment securities available for sale	124,916,349	120,968,358
Other investments	6,302,809	6,433,947
Total securities	131,219,158	127,402,305
Loans	781,188,082	722,276,948
Less allowance for loan losses	(11,025,516)	(9,103,058)
Net loans	770,162,566	713,173,890
Premises and equipment, net	18,296,895	18,234,393
Cash surrender value of life insurance	7,019,478	6,776,379
Accrued interest receivable and other assets	14,135,328	11,875,202
Total assets	\$ 968,762,297	907,261,796
<b>Liabilities and Shareholders' Equity</b>		
Deposits:		
Non-interest bearing demand	\$ 104,448,128	112,071,090
NOW, MMDA & savings	210,057,612	196,959,895
Time, \$100,000 or more	220,374,302	203,499,504
Other time	186,182,341	181,108,214
Total deposits	721,062,383	693,638,703
Demand notes payable to U.S. Treasury	1,600,000	1,600,000
Securities sold under agreement to repurchase	37,500,738	27,583,263
Short-term Federal Reserve Bank borrowings	5,000,000	-
FHLB borrowings	77,000,000	87,500,000
Junior subordinated debentures	20,619,000	20,619,000
Accrued interest payable and other liabilities	4,851,750	6,219,248
Total liabilities	867,633,871	837,160,214
Shareholders' equity:		
Series A preferred stock, \$1,000 stated value; authorized 5,000,000 shares; issued and outstanding 25,054 shares in 2008 and no shares outstanding in 2007	24,350,219	-
Common stock, no par value; authorized 20,000,000 shares; issued and outstanding 5,539,056 shares in 2008 and 5,624,234 shares in 2007	48,268,525	48,651,895
Retained earnings	22,985,694	19,741,876
Accumulated other comprehensive income	5,523,988	1,707,811
Total shareholders' equity	101,128,426	70,101,582
Total liabilities and shareholders' equity	\$ 968,762,297	907,261,796



## CONSOLIDATED STATEMENTS OF EARNINGS

For the Years Ended December 31, 2008, 2007 and 2006

	2008	2007	2006
Interest income:			
Interest and fees on loans	\$ 50,603,885	55,400,514	49,667,700
Interest on federal funds sold	54,765	383,492	85,307
Interest on investment securities:			
U.S. Government agencies	4,392,356	4,571,571	4,321,346
States and political subdivisions	904,432	887,584	798,185
Other	367,423	488,465	521,077
<b>Total interest income</b>	<b>56,322,861</b>	<b>61,731,626</b>	<b>55,393,615</b>
Interest expense:			
NOW, MMDA & savings deposits	3,248,844	4,098,892	3,060,201
Time deposits	15,008,193	17,430,012	14,188,623
FHLB borrowings	3,616,018	3,758,996	3,588,169
Junior subordinated debentures	1,016,361	1,475,701	1,962,692
Other	637,201	821,331	310,188
<b>Total interest expense</b>	<b>23,526,617</b>	<b>27,584,932</b>	<b>23,109,873</b>
<b>Net interest income</b>	<b>32,796,244</b>	<b>34,146,694</b>	<b>32,283,742</b>
Provision for loan losses	4,794,000	2,038,000	2,513,282
<b>Net interest income after provision for loan losses</b>	<b>28,002,244</b>	<b>32,108,694</b>	<b>29,770,460</b>
Other income:			
Service charges	5,202,972	4,278,238	3,929,956
Other service charges and fees	2,399,051	1,938,137	1,539,367
Loss on sale and write-down of securities	(167,048)	(561,832)	(591,856)
Mortgage banking income	660,288	560,291	289,293
Insurance and brokerage commissions	425,653	521,095	388,559
Loss on sale and write-down of other real estate and repossessed assets	(287,431)	(117,880)	(107,712)
Miscellaneous	2,261,104	2,197,645	2,106,188
<b>Total other income</b>	<b>10,494,589</b>	<b>8,815,694</b>	<b>7,553,795</b>
Other expense:			
Salaries and employee benefits	15,194,393	13,887,841	11,785,094
Occupancy	5,029,096	4,750,634	4,180,058
Other	8,669,465	7,354,401	7,017,986
<b>Total other expenses</b>	<b>28,892,954</b>	<b>25,992,876</b>	<b>22,983,138</b>
<b>Earnings before income taxes</b>	<b>9,603,879</b>	<b>14,931,512</b>	<b>14,341,117</b>
Income taxes	3,213,316	5,339,541	5,170,300
<b>Net earnings</b>	<b>\$ 6,390,563</b>	<b>9,591,971</b>	<b>9,170,817</b>
Basic earnings per common share	\$ 1.14	1.68	1.61
Diluted earnings per common share	\$ 1.13	1.65	1.58
Cash dividends declared per common share	\$ 0.48	0.41	0.33

Refer to Appendix A of Peoples Bancorp of North Carolina, Inc. Proxy Statement, dated March 27, 2009, 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 7, 2009, 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) Global Market, 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. 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 10, 2009, the Company had 707 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  
PO Box 467  
Newton, NC 28658  
828-464-5620

**Stock Transfer Agent & Registrar**

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, NJ 07016-3572  
[www.rtco.com](http://www.rtco.com)

**Independent Auditors**

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

## BOARD OF DIRECTORS

**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.**

Managing Partner and Practitioner of Internal Medicine  
Catawba Valley Internal Medicine, PA

**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 / CEO  
Timmerman Manufacturing, Inc.

**Benjamin I. Zachary**

President, Treasurer, General Manager and Director  
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

### 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 Credit Officer

**William D. Cable, Sr.** – Executive Vice President, Chief Operating Officer

**J. Manuel Rey** – President, Banco de la Gente

**Kimberly L. Boyd** – Senior Vice President, Banking Support

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

**Daniel F. Richard** – Senior Vice President, Senior Lender

**Mark W. Sigmon** – Senior Vice President, Area Executive

**Clifton A. Wike** – Senior Vice President, Senior Lender

**Kimberly D. Bazzle** – First Vice President, Marketing

**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

**Gerald E. Huffman** – First Vice President, Area Executive

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

**A. Joseph Lampron**

Executive Vice President, Chief Financial Officer and Corporate Treasurer

**Lance A. Sellers**

Executive Vice President and Assistant Corporate Secretary

**Kyle E. Sigmon** – First Vice President, Consumer Credit

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

**John M. Woods** – First Vice President, Area Executive

**J. LaShae Bock** – Vice President, Human Resources Director

**Christopher L. Brookshire** – Vice President, RAA/GAA

**Helga Y. Callaway** – Vice President, Business Center Manager,  
Catawba Valley Blvd

**Shana L. Carpenter** – Vice President, Business Center Manager,  
Denver

**Deborah W. Craig** – Vice President, Director of Learning and  
Development

**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

**Mark W. Gustafson** – Vice President, Investment Account Executive

**Tommie A. Hall** – Vice President, Loan Documentation

**Leslie D. Hambrick** – Vice President, Internal Auditor

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

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

**William D. Cable, Sr.**

Executive Vice President and Assistant Corporate Treasurer

**E. Dean Lawing** – Vice President, Mortgage Lending Manager

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

**Julian F. Miguel** – Vice President, Banco de la Gente Mortgage  
Manager

**Wendy E. Lopez** – Vice President, Banco de la Gente Operations  
Manager

**Wendy H. Moran** – Vice President, Business Center Manager,  
Triangle

**Rick D. Moser** – Vice President, Business Development Officer

**Connie P. Ollis** – Vice President, Compliance Officer

**Tammy H. Stephens** – First Vice President, Director of Information  
Technology

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

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

**Lucretia K. Rogers** – Vice President, Business Center Manager,  
Cornelius

**Joe S. Tripp** – Vice President, Business Development Officer

**Denise C. Williams** – Vice President, Business Center Manager,  
Mooresville

### 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

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David C. Brown – Vice President and Assistant Secretary

Joseph F. Beaman, Jr. – Secretary

A. Joseph Lampron – Treasurer

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A. Joseph Lampron – Treasurer

[www.peoplesbanknc.com](http://www.peoplesbanknc.com)

**Peoples Bancorp Center**

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PO Box 467  
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Toll-free (800) 948-7195

**Customer Service Center**

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Toll-free (877) 802-1212

**Catawba**

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Catawba, NC 28609  
(828) 241-3123

**Catawba Valley Boulevard**

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Claremont, NC 28610  
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Hiddenite, NC 28636  
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