Board of Governors of the Federal Reserve System

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Robert C. Abernethy
Name of the Holding Company Director and Official

Chairman of the Board
Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Robert C Abernethy
Signature of Holding Company Director and Official

3/26/2021
Date of Signature

For holding companies not registered with the SEC–
Indicate status of Annual Report to Shareholders:

- ☐ is included with the FR Y-6 report
- ☐ will be sent under separate cover
- ☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____
C.I. _____

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2020
Month / Day / Year

Reporter's LEI (NA)
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Peoples Bancorp of North Carolina, Inc.
Legal Title of Holding Company

518 West C Street, PO Box 467
(Mailing Address of the Holding Company) Street / P.O. Box

Newton	NC	28658
City	State	Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Jeffrey N. Hooper	EVP, CFO, Corp Treasurer
Name	Title

828 464-8823 ext 55441
Area Code / Phone Number / Extension

828 466-5041
Area Code / FAX Number

jhooper@peoplesbanknc.com
E-mail Address

peoplesbanknc.com
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? ..... 0=No 1=Yes: 0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report ..... ☐
2. a letter justifying this request has been provided separately ... ☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

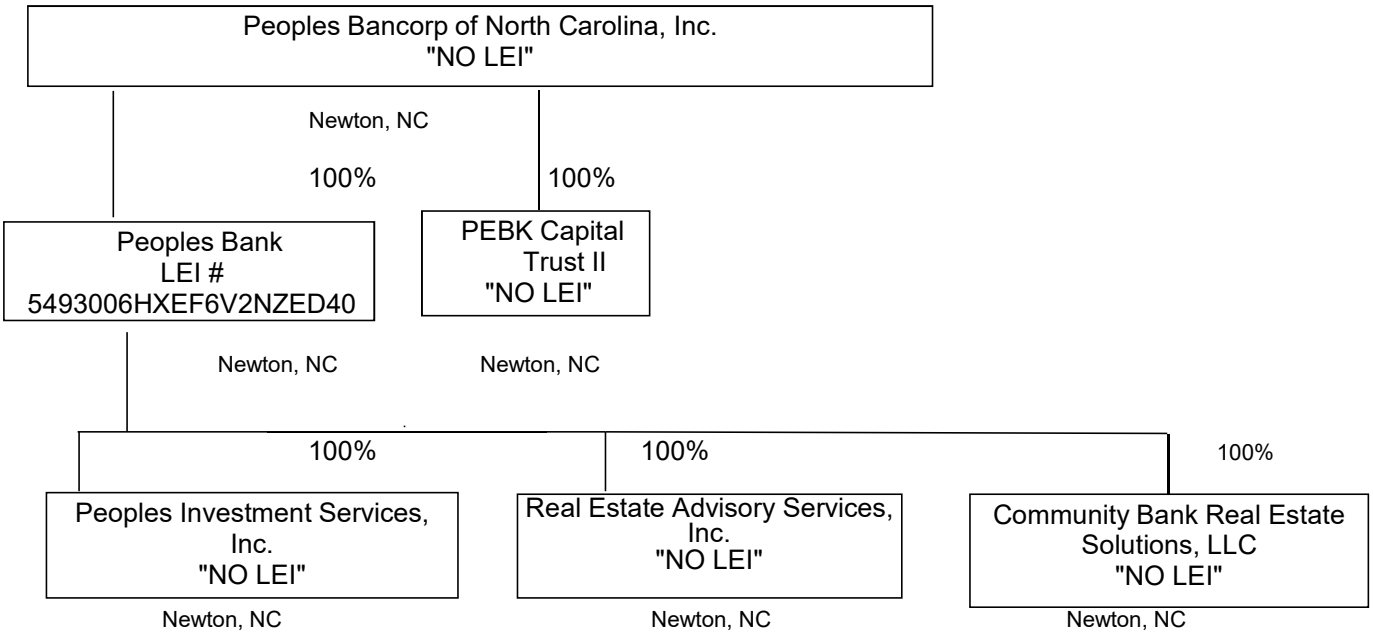
Form FR Y-6

Peoples Bancorp of North Carolina, Inc.
Newton, North Carolina
Fiscal Year Ending December 31, 2020

Report Item

1: The bank holding company prepares an annual report for its shareholders and is registered with the SEC.

2a: Organizational Chart



PEBK Capital Trust II is a Delaware Statutory trust, which was formed in Delaware.
All of the other entities in the organizational chart above were incorporated in the State of North Carolina.

Peoples Bank is a managing member of Community Bank Real Estate Solutions, LLC.

2a: Domestic branch listing provided to the Federal Reserve Bank on March 26, 2021.

Results: A list of branches for your depository institution: PEOPLES BANK (ID_RSSD: 220527).
This depository institution is held by PEOPLES BANCORP OF NORTH CAROLINA, INC. (2818245) of NEWTON, NC.
The data are as of 12/31/2020. Data reflects information that was received and processed through 01/05/2021.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	220527	PEOPLES BANK	518 WEST C STREET	NEWTON	NC	28658	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	5318399	CARY BRANCH	1117 PARKSIDE MAIN STREET	CARY	NC	27519	WAKE	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	602525	CATAWBA BRANCH	106 NORTH MAIN STREET	CATAWBA	NC	28609	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3305809	BANCO DE LA GENTE SOUTH BOULEVARD BRANCH	6350 SOUTH BOULEVARD	CHARLOTTE	NC	28217	MECKLENBURG	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	2572501	CLAREMONT BRANCH	3261 EAST MAIN STREET	CLAREMONT	NC	28610	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	2438821	CONOVER BRANCH	213 FIRST STREET WEST	CONOVER	NC	28613	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3604968	CORNELIUS BRANCH	9624-I BAILEY ROAD	CORNELIUS	NC	28031	MECKLENBURG	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3305818	DENVER BRANCH	6125 HIGHWAY 16 SOUTH	DENVER	NC	28037	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3305827	TRIANGLE CROSSING BRANCH	142 HIGHWAY 16 SOUTH	DENVER	NC	28037	LINCOLN	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3156896	CATAWBA VALLEY BOULEVARD BRANCH	2050 CATAWBA VALLEY BLVD SE	HICKORY	NC	28602	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	1215829	SPRINGS ROAD BRANCH	3310 SPRINGS ROAD, NE	HICKORY	NC	28601	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3305845	VIEWMONT BRANCH	1333 2ND ST NE STE 100	HICKORY	NC	28601	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	1358016	HIDDENITE BRANCH	5153 NC HWY 90 E	HIDDENITE	NC	28636	ALEXANDER	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	2985295	LINCOLNTON BRANCH	1910 EAST MAIN ST	LINCOLNTON	NC	28092	LINCOLN	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3305854	WEST LINCOLN BRANCH	760 HIGHWAY 27 W	LINCOLNTON	NC	28092	LINCOLN	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	129620	MAIDEN BRANCH	200 ISLAND FORD ROAD	MAIDEN	NC	28650	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3921517	MOORESVILLE BRANCH	1074 RIVER HIGHWAY	MOORESVILLE	NC	28117	IREDELL	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
CLOSE	12/31/2020	Limited Service	3539118	ABERNETHY CENTER BRANCH	102 LEONARD AVENUE	NEWTON	NC	28658	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
OK		Full Service	3306020	NEWTON BRANCH	420 WEST A STREET	NEWTON	NC	28658	CATAWBA	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	
ADD	8/18/2020	Full Service	3306020	RALEIGH BRANCH	4000 WESTCHASE BLVD, SUITE 100	RALEIGH	NC	27607	WAKE	UNITED STATES	Not Required	Not Required	PEOPLES BANK	220527	

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Peoples Bancorp of North Carolina, Inc.
Fiscal Year Ending December 31, 2020

Report Item 3: Securities holders
(1)(a)(b)(c) and (2)(a)(b)(c)

Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/20

(1)(a) Name City, State, Country	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities (1), (2)	
Estate of Christine S. Abernethy Newton, NC	USA	726,390 12.551%	(3)
James S. Abernethy Newton, NC	USA	861,380 14.883%	(4)
Robert C. Abernethy Newton, NC	USA	900,999 15.568%	(5)

(1) Unless otherwise noted, all shares are owned directly of record by the named individuals, by their spouses and minor children, or by other entities controlled by the named individuals. Voting and investment power is not shared unless otherwise indicated.

2) Based upon a total of 5,787,504 shares of common stock outstanding as of December 31, 2020.

(3) Carolina Glove Company, Inc. owns 118,363 shares of common stock. These shares are included in the calculation of Ms. Abernethy's estate's total beneficial ownership interest. Ms. Abernethy's estate owns approximately 50% of the stock of Carolina Glove Company, Inc. Mr. R. Abernethy, a co-executor of Ms. Abernethy's estate and a director of the Company, is the President, Secretary and Treasurer of Carolina Glove Company, Inc.

(4) Includes 70,441 shares of common stock owned by Alexander Railroad Company. Mr. J. Abernethy is Vice President, Secretary and Chairman of the Board of Directors of Alexander Railroad Company. Includes 726,390 shares of common stock owned by the Estate of Christine Abernethy for which Mr. J. Abernethy serves as a co-executor. The Estate of Christine S. Abernethy owns approximately 50% of the stock of Carolina Glove Company, Inc.

(5) Includes 7,373 shares of common stock owned by Mr. R. Abernethy's spouse, for which Mr. R. Abernethy disclaims beneficial ownership. Includes 726,390 shares of common stock owned by the Estate of Christine S. Abernethy for which Mr. R. Abernethy serves as a co-executor. The Estate of Christine S. Abernethy owns approximately 50% of the stock of Carolina Glove Company, Inc. Mr. R.

Securities holders not listed in (3)(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/20

(2)(a) Name City, State, Country	(2)(b) Country of Citizenship or Incorporation	(2)c Number and Percentage of Each Class of Voting Securities (1), (2)	
Tontine Financial Partners, L.P. Greenwich, CT	USA	347,651 5.880%	(3)
Tontine Management, L.L.C. Greenwich, CT	USA	347,651 5.880%	(4)
Jeffrey L. Gendell Greenwich, CT	USA	490,231 8.292%	(5)

(1) Unless otherwise noted, all shares are owned directly of record by the named individuals, by their spouses and minor children, or by other entities controlled by the named individuals. Voting and investment power is not shared unless otherwise indicated.

2) Based upon a total of 5,912,300 shares of common stock outstanding as of December 31, 2019.

(3) Based on a Schedule 13G/A (Amendment No. 12) filed by Tontine Financial Partners, L.P., Tontine Management, LLC, Tontine Overseas Associates, LLC, Tontine Asset Associates, LLC and Jeffrey L. Gendell with the SEC on February 13, 2020 (the "2019 Schedule 13G/A"). Represents the number of shares of common stock owned directly by Tontine Financial Partners, L.P.

(4) Based on the 2019 Schedule 13G/A, Tontine Management, LLC is the general partner of Tontine Financial Partners, L.P. Represents the number of shares of common stock owned by Tontine Financial Partners, L.P.

(5) Represents the number of shares of common stock owned directly by Tontine Financial Partners, L.P. and Tontine Capital Overseas Master Fund II, L.P.

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Peoples Bancorp of North Carolina, Inc.
Fiscal Year Ending December 31, 2020

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Name City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (Include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held. (List names of companies and percentage of voting securities held)
Estate of Christine S. Abernethy Newton, NC (USA)	Majority Owner of Carolina Glove Company, Inc.	N/A	N/A	N/A	12.533%	N/A	Carolina Glove Company, Inc. - 50%
Robert C. Abernethy Newton, NC (USA)	President, Secretary and and Treasurer, Carolina Glove Company, Inc.; Secretary and Asst. Treasurer, Midstate Contractors, Inc.	Chairman of the Board of Directors	Chairman of the Board of Directors (Peoples Bank)	President, Secretary and and Treasurer, Carolina Glove Company, Inc.; Secretary and Asst. Treasurer, Midstate Contractors, Inc.	3.013%	N/A	B&L Investments, LLC - 98%, Abernethy Asset Holdings, LLC - 33.33%
James S. Abernethy Newton, NC (USA)	President and Assistant Secretary, Midstate Contractors, Inc.; Vice President, Carolina Glove Company, Inc.; Vice President, Secretary and Chairman of the Board, Alexander Railroad Co.	Director	Director (Peoples Bank)	President and Assistant Secretary, Midstate Contractors, Inc.; Vice President, Carolina Glove Company, Inc.; Vice President, Secretary and Chairman of the Board, Alexander Railroad Co.	2.332% *	N/A	Abernethy Asset Holdings, LLC - 33.33%
William D. Cable, Sr. Newton, NC (USA)	N/A	Executive Vice President, Assistant Corporate Treasurer and Corporate Secretary	Executive Vice President and Chief Operating Officer (Peoples Bank)	N/A	0.432%	N/A	N/A
Douglas S. Howard Terrell, NC (USA)	Vice President and Treasurer, Denver Equipment Company of Charlotte, Inc.	Director	Director (Peoples Bank)	Owner, Howard Helderman Howard, LLC; Vice-President Howard and Poole Properties, Inc.; Member Manager, The Denver Group, LLC	0.352%	N/A	Howard Helderman Howard, LLC - 37.34%

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Peoples Bancorp of North Carolina, Inc.
Fiscal Year Ending December 31, 2020

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Name City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (Include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held. (List names of companies and percentage of voting securities held)
John W. Lineberger, Jr. Lincolnton, NC (USA)	President, Lincoln Bonded Warehouse Company	Director	Director (Peoples Bank)	President, Lincoln Bonded Warehouse Company; Vice President, Lineberger Bros; Partner, Shortgrass Associates, LLC	0.083%	N/A	Four-Way Dist - 25%, Shortgrass Assoc, LLC - 25%
Gary E. Matthews Conover, NC (USA)	President and Director, Matthews Construction Company, Inc.	Director	Director (Peoples Bank)	Director and Treasurer, Conover Metal Products, Inc.; Member G&A Properties of Conover, LLC and BGA Properties LLC; Consultant for MHBPC, Inc.	0.446%	N/A	G&A Properties of Conover, LLC - 50%; BG&A Properties, LLC - 33.33%; Matthews Realty, LLC - 33.33%
Dr. Billy L. Price, Jr. Hickory, NC (USA)	Practitioner of Internal Medicine BL Price Medical Consultants, P.L.L.C.	Director	Director (Peoples Bank)	Medical Director of WCA (Wellness Coalition America, Medical Director of Healthgram Medical	0.185%	N/A	B L Price, Jr. Medical Consultants, PLLC - 100%, Price Consulting LLC - 100%, Bumblebee Interiors, LLC - 50%
Larry E. Robinson Newton, NC (USA)	Shareholder, Director, CEO of The Blue Ridge Distributing Company	Director	Director (Peoples Bank)	Director and Member of the Board of Directors of United Beverages of North Carolina, LLC	1.159%	N/A	N/A
Lance A. Sellers Hickory, NC (USA)	N/A	President and Chief Executive Officer	President and Chief Executive Officer (Peoples Bank)	N/A	0.455%	N/A	N/A
William Gregory Terry Conover, NC (USA)	President of DFH Holdings and Operator / General Manager of Drum & Willis-Reynolds Funeral	Director	Director (Peoples Bank)	N/A	0.374%	N/A	President of DFH Holdings - 100% Hole-In-One Advantage, LLC - 50%

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Peoples Bancorp of North Carolina, Inc.
Fiscal Year Ending December 31, 2020

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Name City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (Include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held. (List names of companies and percentage of voting securities held)
	Homes & Crematory						
Dan Ray Timmerman, Sr. Conover, NC (USA)	Chairman of the Board and Chief Executive Officer - Timmerman Manufacturing, Inc.	Director	Director (Peoples Bank)	Chairman of the Board and Chief Executive Officer - Timmerman Manufacturing, Inc. Partner, D & D Properties	1.779%	N/A	Timmerman Mfg., Inc.-48%, D & D Properties - 50%
Benjamin I. Zachary Taylorsville, NC (USA)	President, Treasurer, General Manager and Director of Alexander Railroad Company	Director	Director (Peoples Bank)	N/A	1.968% *	N/A	N/A
Jeffrey N. Hooper Denver, NC (USA)	N/A	Executive Vice President Chief Financial Officer and Corporate Treasurer	Executive Vice President and Chief Financial Officer (Peoples Bank)	N/A	0.000%	N/A	N/A

* 70,441 shares of Common Stock owned by Alexander Railroad Company are included in the percentage of voting shares for Mr. J. Abernethy and Mr. Zachary