

PEOPLES BANCORP OF NORTH CAROLINA INC  
Form 10-Q  
May 08, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

PEOPLES BANCORP OF NORTH CAROLINA, INC.  
(Exact name of registrant as specified in its charter)

North Carolina  
(State or other jurisdiction of incorporation or organization)

000-27205  
(Commission File No.)

56-2132396  
(IRS Employer Identification No.)

518 West C Street, Newton, North Carolina  
(Address of principal executive offices)

28658  
(Zip Code)

(828) 464-5620  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes X No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerate  
Filer

Accelerated  
Filer

Non-Accelerated  
Filer

Smaller Reporting Company  X

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act).

Yes No  X

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

5,612,588 shares of common stock, outstanding at April 30, 2015.

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Statements made in this Form 10-Q, other than those concerning historical information, should be considered forward-looking statements pursuant to the safe harbor provisions of the Securities Exchange Act of 1934 and the Private Securities Litigation Act of 1995. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management and on the information available to management at the time that this Form 10-Q was prepared. These statements can be identified by the use of words like “expect,” “anticipate,” “estimate,” and “believe,” variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, (1) competition in the markets served by Peoples Bank, (2) changes in the interest rate environment, (3) general national, regional or local economic conditions may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and the possible impairment of collectibility of loans, (4) legislative or regulatory changes, including changes in accounting standards, (5) significant changes in the federal and state legal and regulatory environments and tax laws, (6) the impact of changes in monetary and fiscal policies, laws, rules and regulations and (7) other risks and factors identified in other filings with the Securities and Exchange Commission, including but not limited to, those described in Peoples Bancorp of North Carolina, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2014.

## PART FINANCIAL INFORMATION

I.

## Item Financial Statements

1.

## PEOPLES BANCORP OF NORTH CAROLINA, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

March 31, 2015 and December 31, 2014

(Dollars in thousands)

Assets	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
Cash and due from banks, including reserve requirements of \$11,391 and \$12,569	\$ 47,730	51,213
Interest-bearing deposits	19,783	17,885
Cash and cash equivalents	67,513	69,098
Investment securities available for sale	282,575	281,099
Other investments	3,912	4,031
Total securities	286,487	285,130
Mortgage loans held for sale	806	1,375
Loans	660,477	651,891
Less allowance for loan losses	(10,843 )	(11,082 )
Net loans	649,634	640,809
Premises and equipment, net	16,745	17,000
Cash surrender value of life insurance	14,229	14,125
Other real estate	3,424	2,016
Accrued interest receivable and other assets	10,617	10,941
Total assets	\$ 1,049,455	1,040,494
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing demand	\$ 217,603	210,758
NOW, MMDA & savings	432,541	407,504
Time, \$250,000 or more	36,237	47,872
Other time	143,579	148,566
Total deposits	829,960	814,700

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Securities sold under agreements to repurchase	38,702	48,430
FHLB borrowings	50,000	50,000
Junior subordinated debentures	20,619	20,619
Accrued interest payable and other liabilities	8,660	8,080
Total liabilities	947,941	941,829

Commitments

Shareholders' equity:

Series A preferred stock, \$1,000 stated value; authorized		
5,000,000 shares; no shares issued and outstanding	-	-
Common stock, no par value; authorized		
20,000,000 shares; issued and outstanding 5,612,588 shares at March 31, 2015 and December 31, 2014	48,088	48,088