



2019

Annual Shareholders' Meeting

# INTRODUCTION OF DIRECTORS

- **Harold Lynn Keene, Chairman**
- **Charles H. Gent, Jr., Vice-Chairman**
- **C. Todd Asbury**
- **Tim W. Ball**
- **Gina Preservati- Boggess \***
- **J. Robert Buchanan**
- **Joe M. Carter**
- **John D. Cox**
- **Eugene S. Hearl**
- **Michael G. McGlothlin**
- **Fred W. Meade**
- **B. Scott White**

## Cautionary Statement Regarding Forward-Looking Statements

This presentation includes forward-looking statements. These forward-looking statements are based on current expectations that involve risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may differ materially. These risks include: changes in business or other market conditions; the timely development, production and acceptance of new products and services; the challenge of managing asset/liability levels; the management of credit risk and interest rate risk; the difficulty of keeping expense growth at modest levels while increasing revenues; and other risks detailed from time to time in the Company's Securities and Exchange Commission reports including, but not limited to, the most recent quarterly report filed on Form 10-Q, current reports filed on Form 8-K, and the Annual Report on Form 10-K for the most recent fiscal year end. Pursuant to the Private Securities Litigation Reform Act of 1995, the Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

# Celebrating 20 Years of Service



# Values

Integrity

Trust

Commitment

Confidentiality

Respect

Innovation

# Vision

New Peoples Bank is  
the financial institution of choice  
in the Central Appalachia communities we serve,  
providing innovative solutions  
and personalized service  
in a manner that improves the lives of our  
customers, employees and investors.

# Mission

New Peoples Bank provides high-quality, state-of-the-art, golden-rule banking services to our communities while generating a reasonable return to our stockholders and providing a challenging and rewarding work environment for our family of employees.

# Strategic Focus

## SHORT TERM

- Increase earnings
- Maximize efficiencies
- Maintain capital levels
- Enhance customers' experience
- Recruit, develop, reward, and support high-performing people
- Differentiate through superior service, technology, relevant products, community presence
- Grow the balance sheet conservatively, modestly and soundly
- Get credit risk profile to peer level
- Manage risk



# Strategic Focus

**LONG  
TERM**

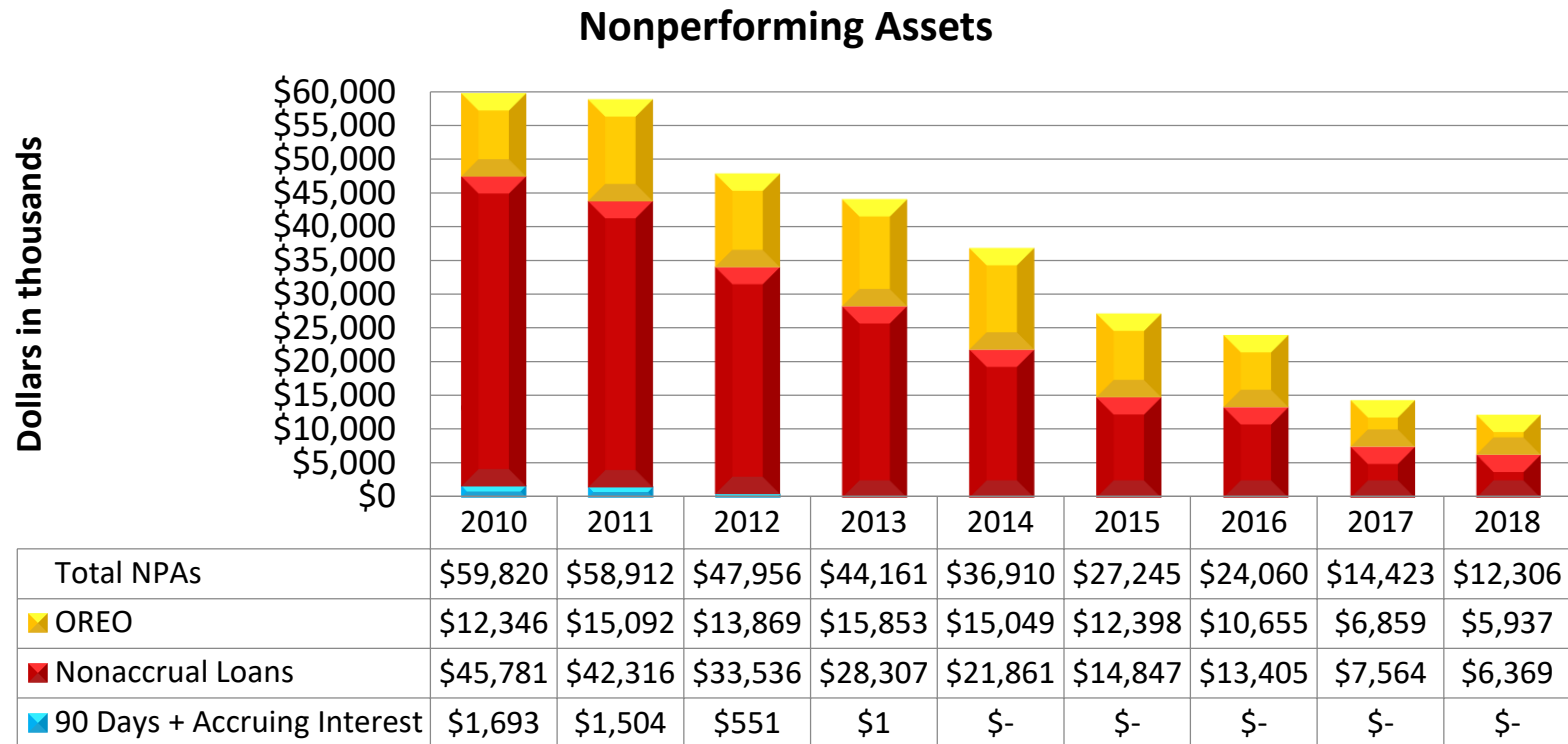
- Enhance shareholder liquidity
- Issue a cash dividend
- Grow in targeted markets and segments
- Grow loan portfolio and deposits
- Equip our people for high performance

# Process



# Nonperforming Assets (In thousands)

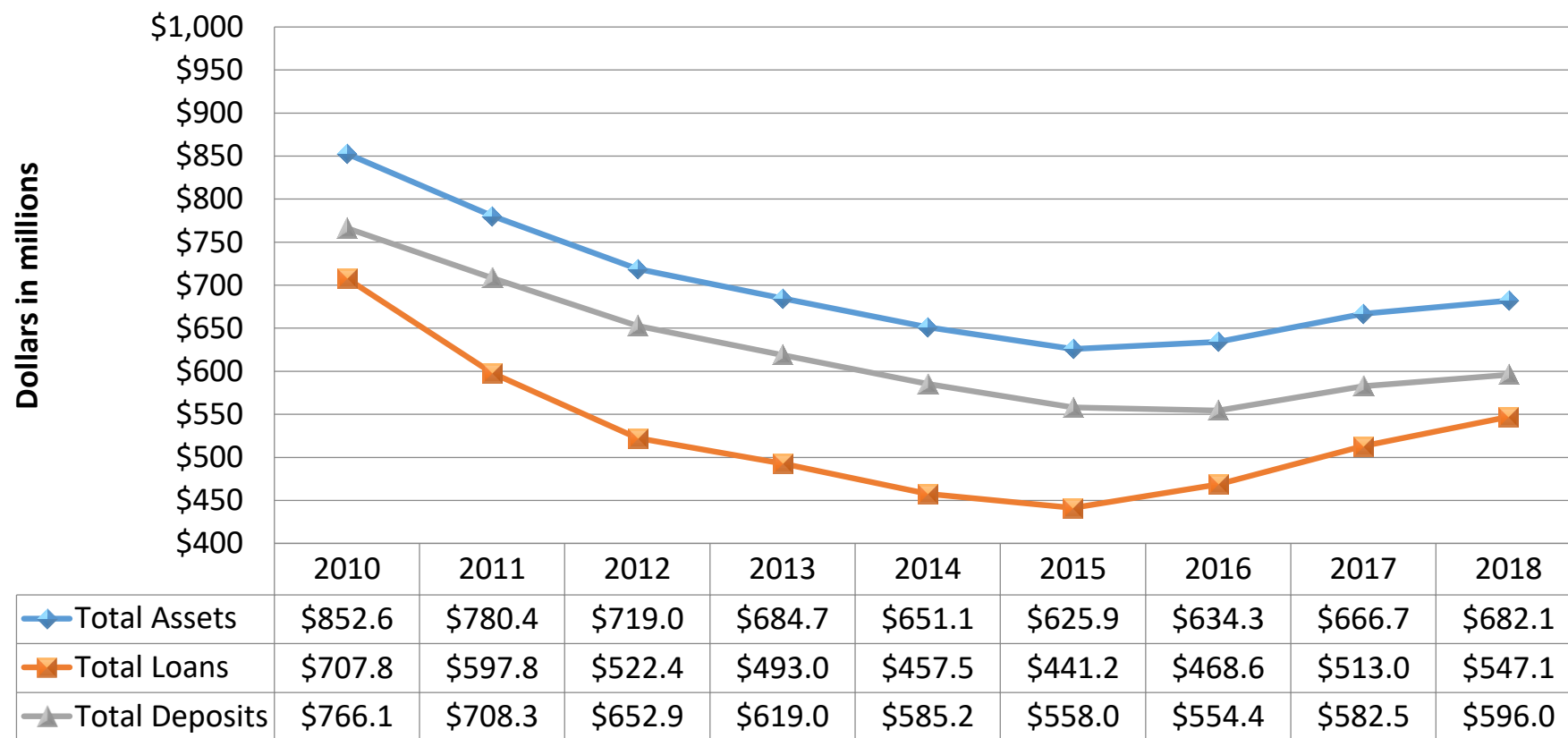
December 31, 2010 through December 31, 2018



# Strategic Balance Sheet Trend

(In Millions)

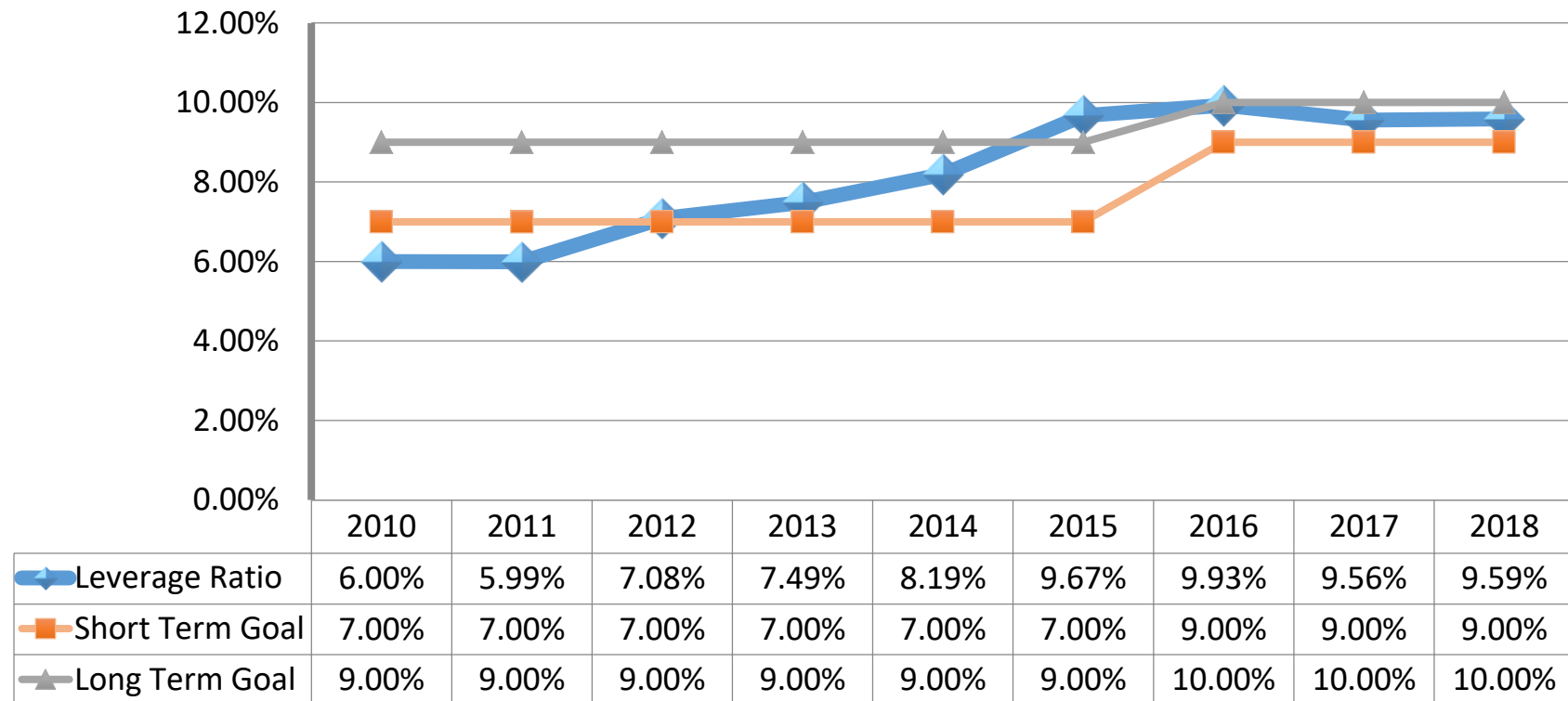
December 31, 2010-2018



# Capital Ratio Trend – Actual

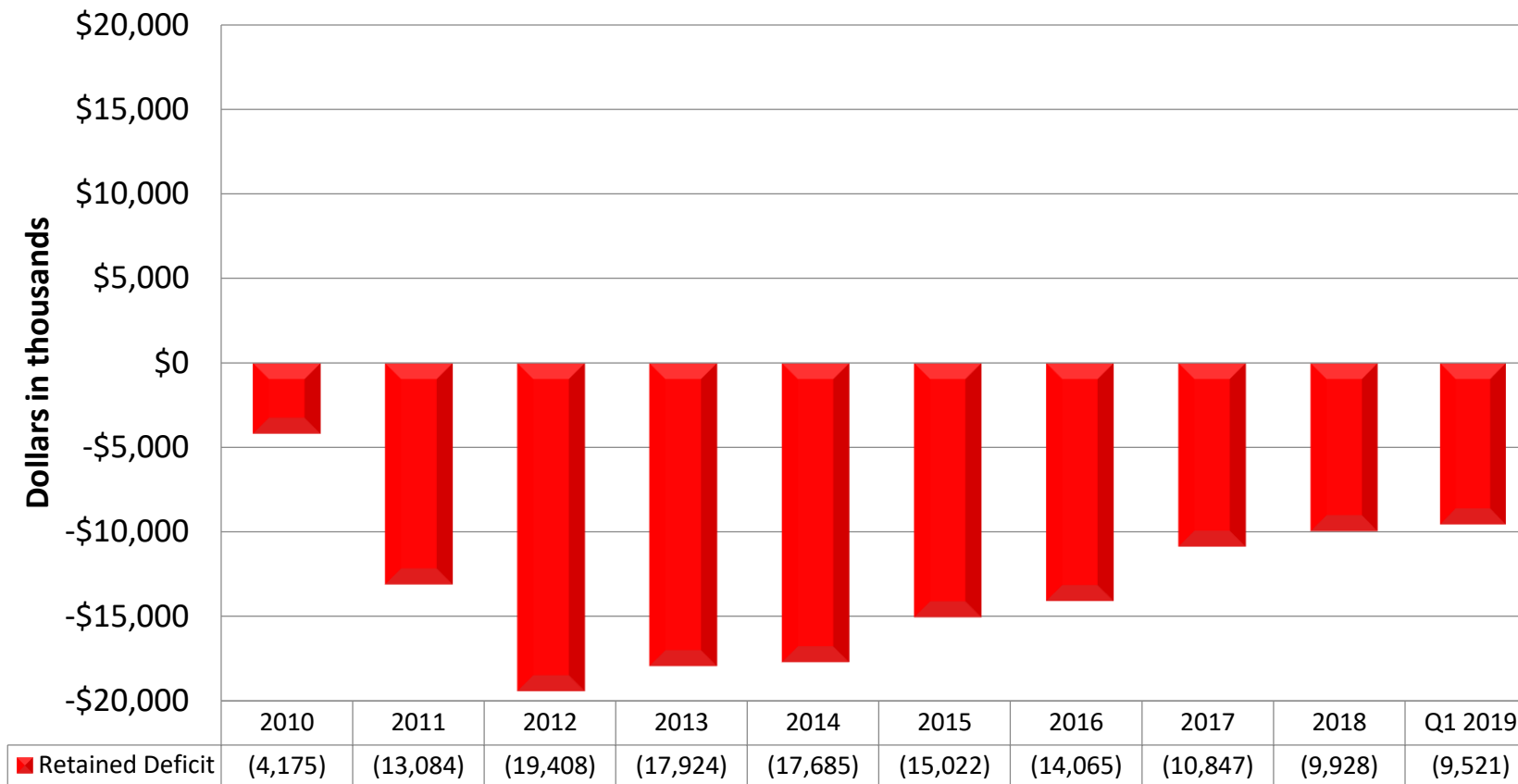
## Tier 1 Leverage Ratio (Bank Only)

December 31, 2010 through 2018



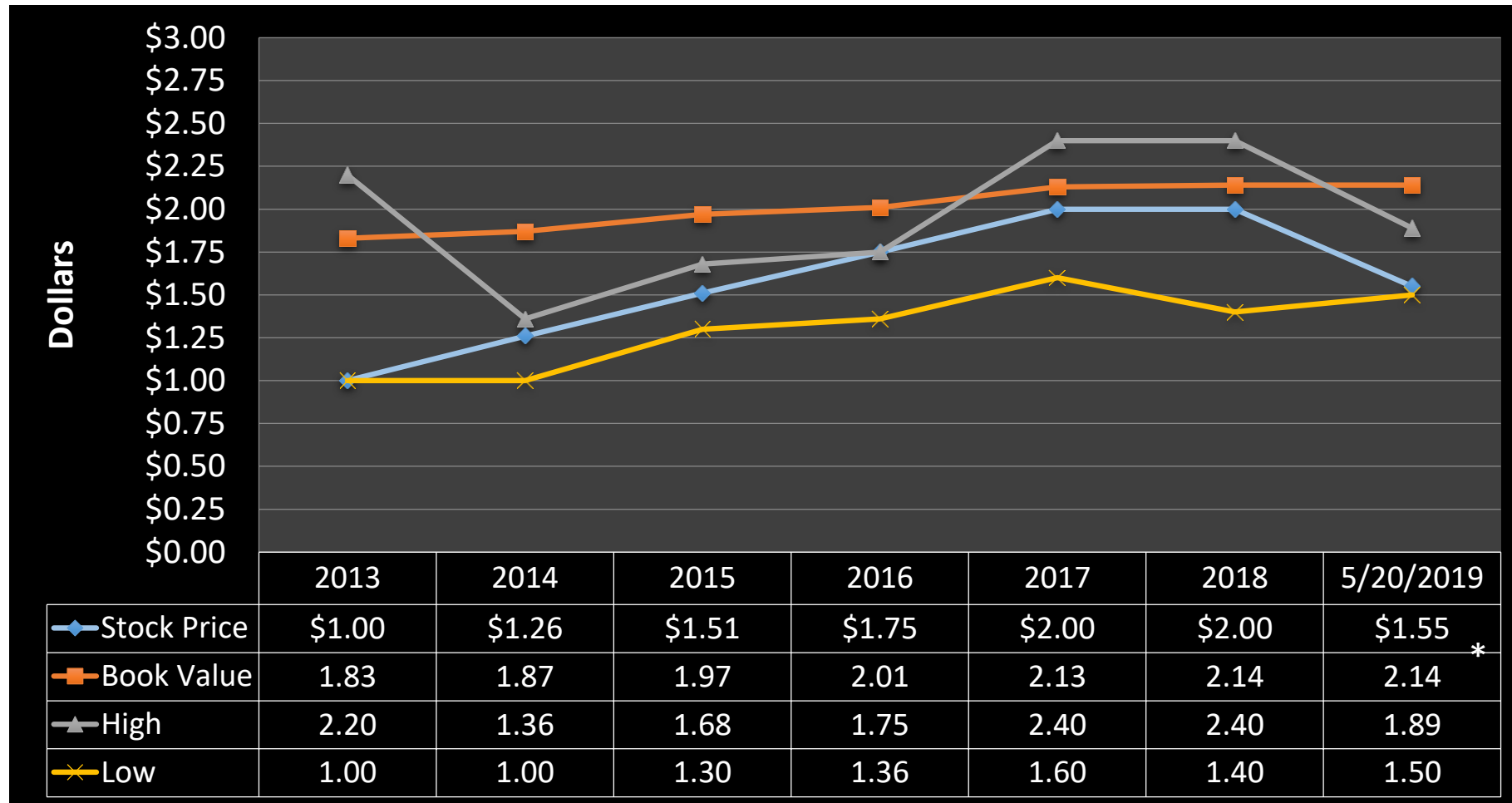
# Retained Deficit Trend (In thousands)

December 31, 2010 through March 31, 2019



# Stock Price & Book Value Trend

December 31, 2013- May 20, 2019



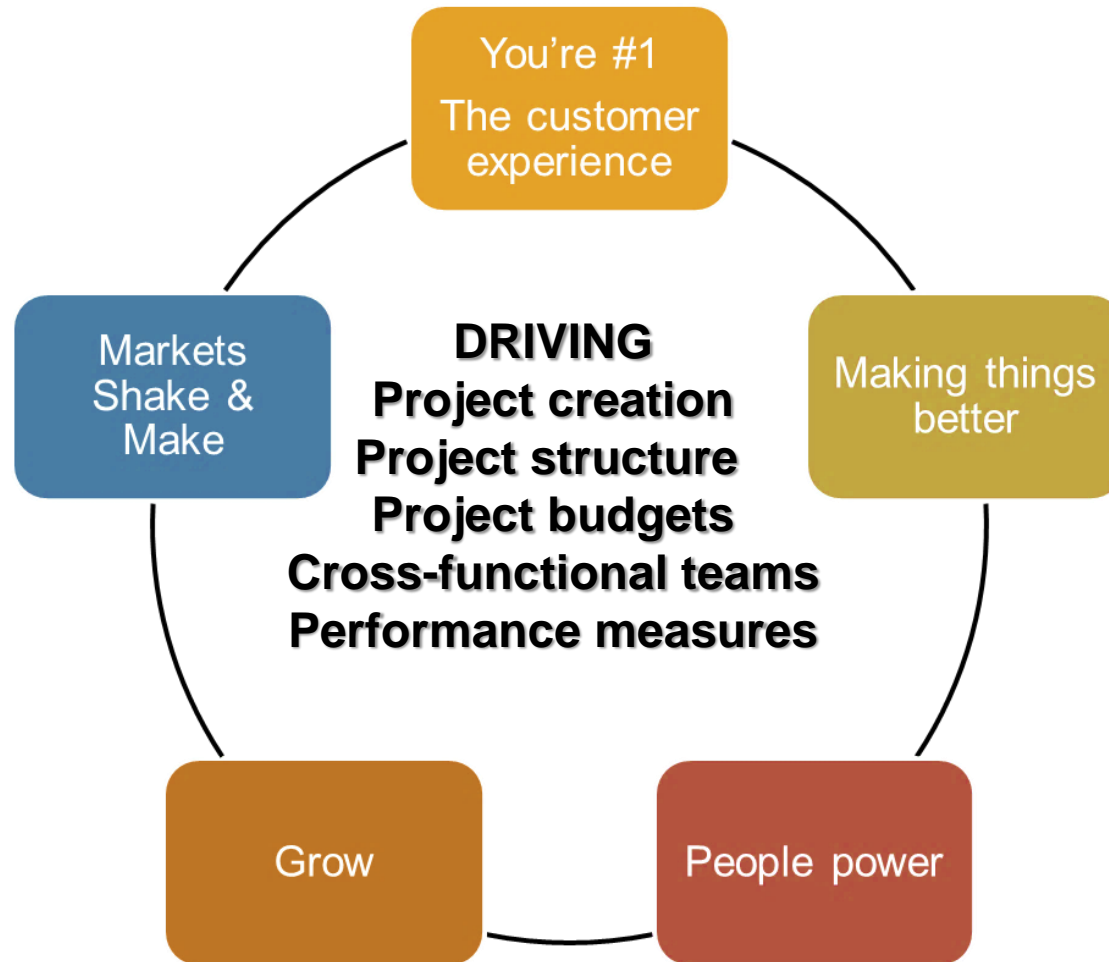
\* At March 31, 2019

# Where Are We In the Process?

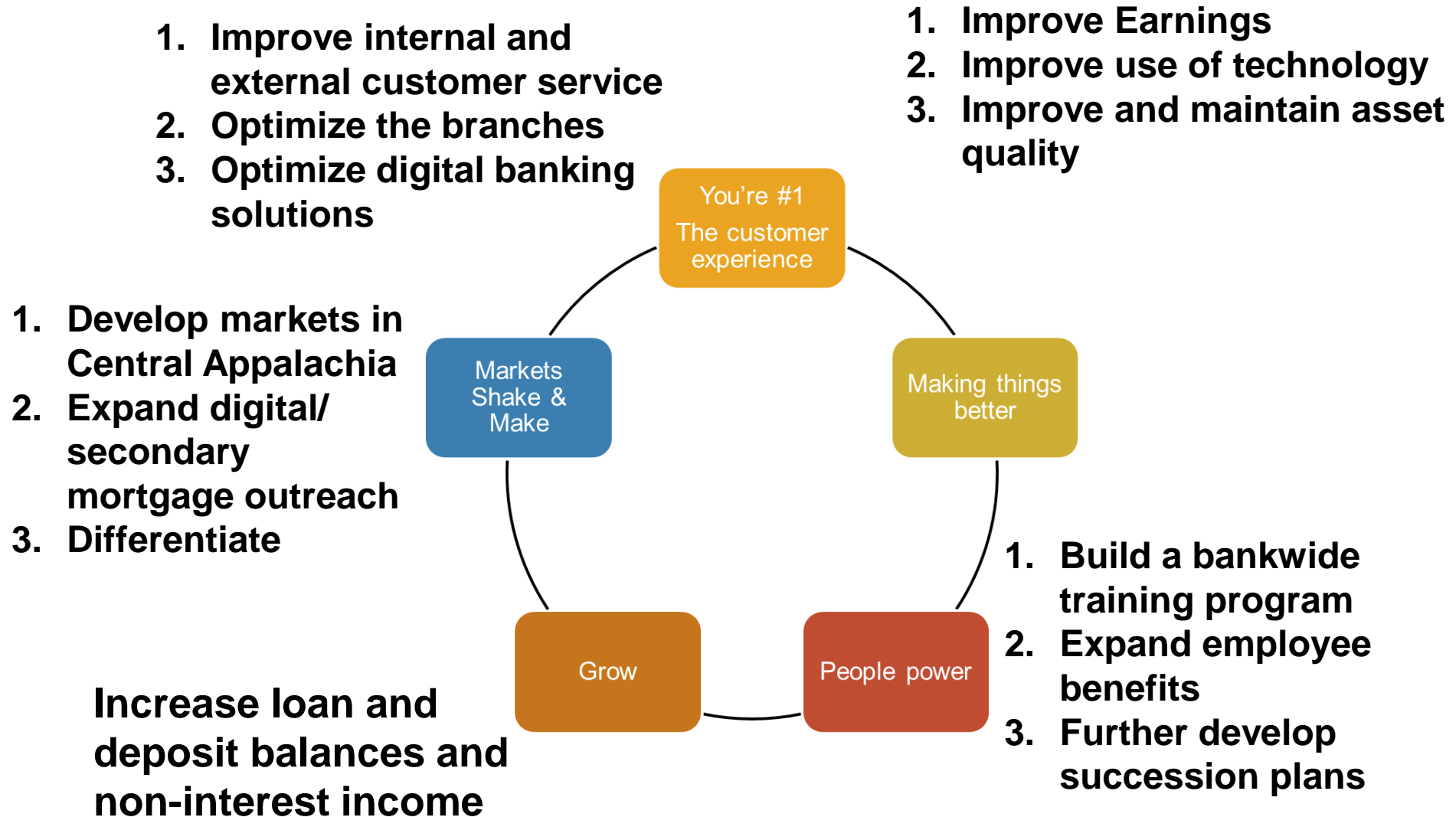




# Golden Rule Initiatives



# Corporate 2018-2020



# Divisions 2018

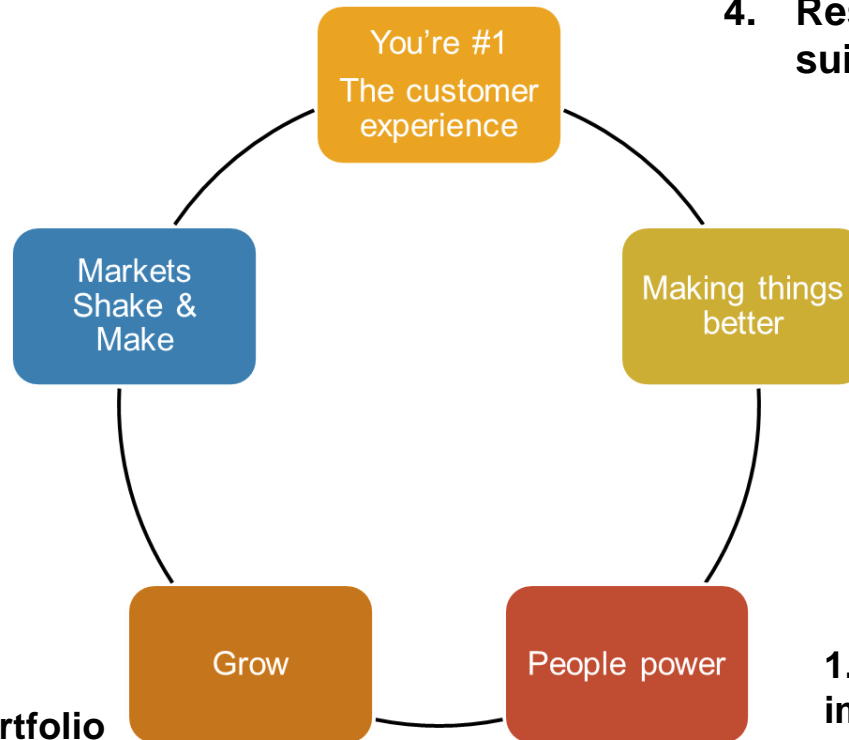
1. Implement Voice of the Customer
2. Add Private Banking services
3. Recreate Marketing, Customer Service and Community Relations

1. Finalizing consumer and mortgage loan refinements
2. Fully adopt Digital Bank services
3. Sell loans, OREO and bank buildings to get to peer in AQ
4. Resolve all outstanding litigation suits successfully for the bank

1. Launch Kingsport LPO
2. Open Princeton Oakvale Road
3. Explore Bristol market expansion plans

1. Change loan portfolio mix to CRE focus
2. Grow core deposits 5%
3. Launch 20<sup>th</sup> anniversary celebration

1. Design and begin implementation of the bankwide training program
2. Changed Group Health Insurance Plan

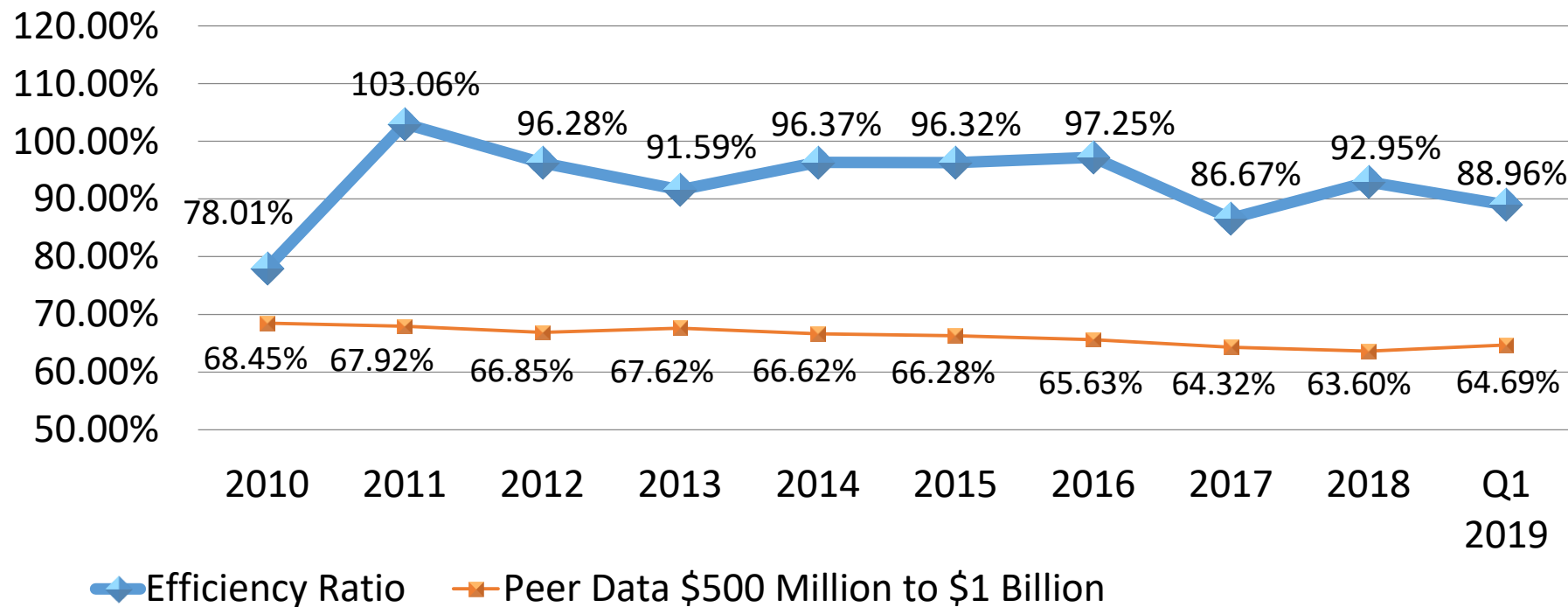


2019

The Year of Efficiency

# Efficiency Ratio (Bank Only)

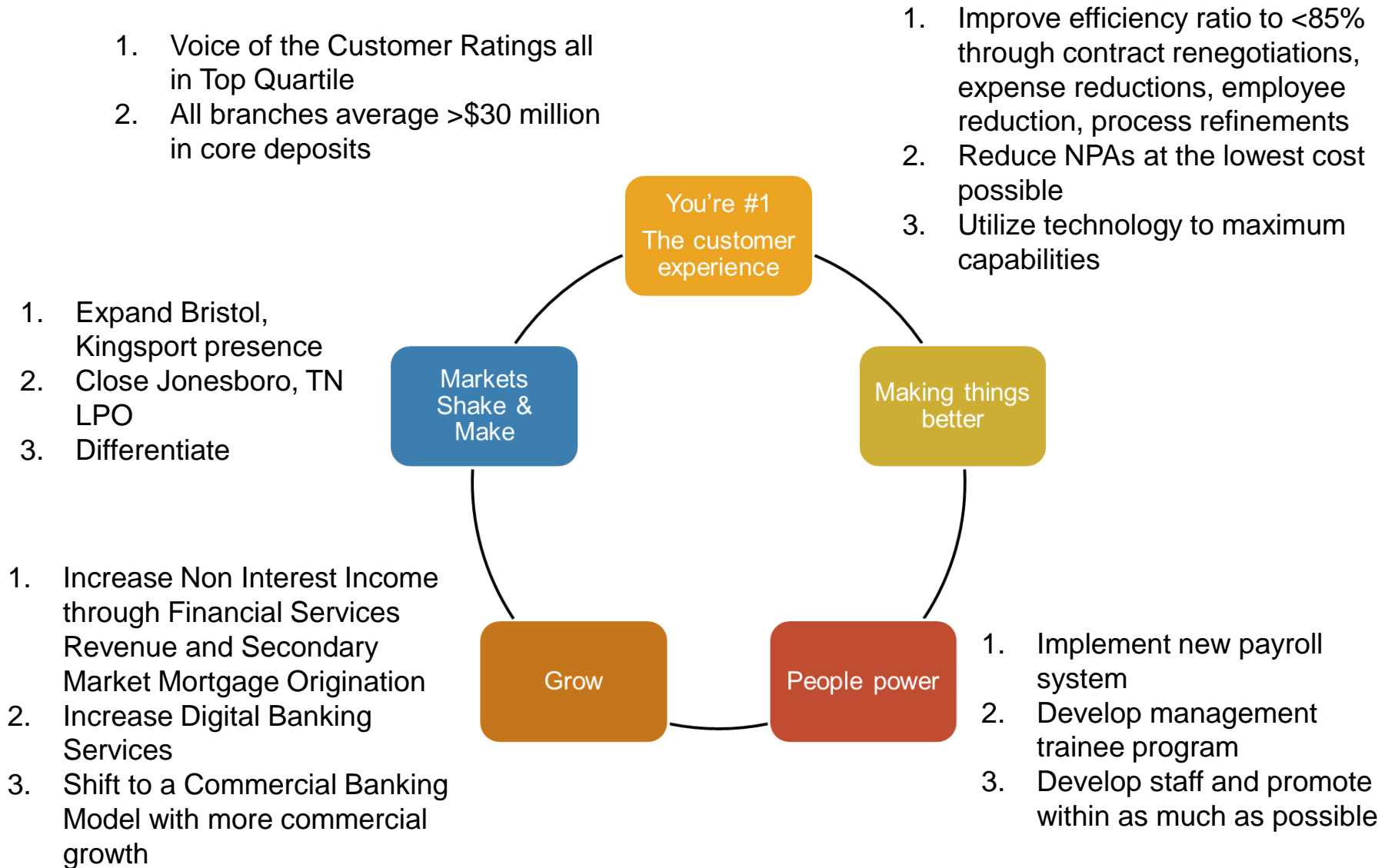
December 31, 2010 through Q1 2019



Peer Data Source: FDIC Uniform Bank Performance Report

# Divisions 2019

## The year of efficiency



# 2019 Bank Key Metrics

	Year-End Goal
	2019
<b>Earnings Ratios</b>	
Efficiency Ratio	< 85.00%
Net Interest Margin	>4.00%
Non-interest Income to Average Assets	1.25% or >
Return on Average Assets	> 0.50%
<b>Asset Quality</b>	
Past Dues > 30 Days	< 1.10%
Critical Exceptions as % of Total Loans	< 2.00%
Texas Ratio (NPB+OREO/Tangible Equity + ALLL)	< 12.00%
<b>Growth</b>	
Loan Growth	4 to 5%
Deposit Growth	6 to 7%
Avg. Branch Core Deposits	> \$30 M
E-Statements Usage	22% or >
Online Banking	50% or >
ITM Transactions	102,000

# Where Are We In the Process?





But We Are Headed to Greater things...

Thank You!



# Helping Make Dreams Come True



## **Buy or Sell Stock Contact Information**

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