

# 2021 ANNUAL REPORT

## Banking by the Golden Rule

*New Peoples Bankshares, Inc. is the financial holding company for New Peoples Bank, Inc., a community bank with 20 offices serving southwestern Virginia, southern West Virginia, northwestern Tennessee, and western North Carolina. The company's common stock is traded over the counter under the trading symbol, "NWPP." To learn more about New Peoples Bank and its services, visit [www.newpeoples.bank](http://www.newpeoples.bank).*



# We are *Your Bank*

## Our Mission

New Peoples Bank provides high-quality, state-of-the-art, golden-rule banking services to our customers generating an excellent return to our stockholders and providing a challenging and rewarding work environment for our employee family.

## Our Vision

New Peoples Bank will be the #1 financial institution of choice in Central Appalachia making the dreams of our customers, investors, employees and communities come true.

## Remembering Fred Meade

Fred Meade, a valued member of the Board of Directors since 1998 was a voice of encouragement that will be dearly missed. Fred was a visionary leader and was always supportive and encouraging during some difficult times. New Peoples Bank is honored to have worked with Fred for several years.

During his time with NPB he faithfully served on the Board loan committee, the compensation committee, the executive committee, and nominating committee and also served as a past chairman and a past vice chairman of the board.

Fred was a local businessman and was very astute on customer service and having a positive experience for them. He watched out for the "little man" and was an advocate on our board for those customers. He was also well connected with many of our shareholders from the Russell County area and was a listening ear to their concerns as well. Fred served on the Russell County IDA and worked hard to enhance the economy with new business and expansion in Russell County.

We will long remember Fred's legacy and his concerns will be remembered and taken into consideration in the future.



# MEET OUR BOARD

## BOARD OF DIRECTORS



C. Todd Asbury



Tim W. Ball



Gina D. Boggess



J. Robert Buchanan



Joe M. Carter



John D. Cox



Charles H. Gent, Jr.



Eugene S. Hearl



H. Lynn Keene  
*Chairman*



Michael G. McGlothlin



B. Scott White  
*Vice Chairman*

## EXECUTIVE OFFICERS



C. Todd Asbury  
*President & CEO*



Chris Speaks  
*EVP | Chief Financial Officer*



Bryan T. Booher  
*EVP | Chief Risk Officer*



J.W. Kiser  
*EVP | Chief Banking Officer*

# MESSAGE FROM THE PRESIDENT

## Dear Fellow Shareholders,



C. Todd Asbury  
President & CEO

What a year! 2021 was a record year for New Peoples Bank. We accomplished many goals and continue to make great progress. In 2021, we reported record earnings as net income totaled \$7.0 million, or \$0.29 per share. We were able to rebound from over a decade-long retained deficit position to positive retained earnings in the third quarter of 2021. As a result of this and the continual earnings growth, in February 2022, the

Board of Directors declared our first cash dividend of \$0.05 per share. This is the culmination of hard work and dedication from your team of employees, management and the Board of Directors. Our focus has been on presenting you with ownership in a bank that is strong, profitable, and relevant to the needs of our customers and communities that we serve. I believe that this is what we offer today and we will strive to continue to offer this to our shareholders going forward and to improve as we proceed into the future.

We continue to work to provide sound loan growth, improved asset quality, efficient processes, properly managed risks, needs-based products and services, new revenue streams and an expansion of existing sources of revenue. In addition, we strive to serve and grow with a well-trained, productive workforce. As a community bank, we remain heavily involved in meeting the needs of the communities we serve.

Our hard work and dedication is paying off. In fact, the IDC Financial Publishing, Inc. which rates banks for their financial safety and soundness based on key financial ratios, ranked New Peoples Bank in the highest ranking of Superior at the end of 2021. We are very proud of the recognition from this firm that validates the progress we have made.

For a true community bank, there are great opportunities that are cognizant and responsive to the needs of the communities. New Peoples Bank is that bank. We are supportive of many worthy community activities through providing leadership, guidance, support and awareness. Our bankers are local and understand the dynamics in the community and the customers' needs who live and operate there - a key to growth and success in our area.

Through these relationships, we supported many customers during the pandemic with PPP loans, loan payment deferrals, and other means. Not only that, but the relationships and connections made during those times have resulted in another year of growth in loans,

deposits, financial services, and non-interest income. In the year 2021, we grew total assets to \$795 million, total loans to \$594 million and total deposits to \$708 million. Growth of the bank in key markets and maintaining a strong presence in other markets have resulted in solid growth for both new and existing relationships. Our goal is to continue to grow at a moderate pace where there are opportunities to expand our mission and vision for New Peoples Bank.

In the autumn of 2021, we opened a beautiful new office on historic and strategic State Street in Bristol, Virginia. This office has been well received by the community and is growing. Our loan production office in Boone, North Carolina is approaching \$50 million in loan growth in just over one year. The combination of some of our branches during 2021 has also resulted in greater efficiencies throughout our branch network.

After several years of dedication and commitment, we have vastly improved asset quality of the organization by decreasing the ratio of non-performing assets to total assets to 0.54% from 1.17% as of December 31, 2020, and loans past due greater than 30 days decreased as a percentage of total loans to 0.57% from 1.49%. In the third quarter, major adjustments were made resulting in nonrecurring expenses to nonperforming assets in an effort to substantially reduce these levels. Despite all of the negative impact to earnings to reduce nonperforming assets, we still realized record net income. I am proud of our team and their valiant efforts through the past several years to get the bank to this point.

We are not finished! We plan on strategic growth for the future. The vision is to be the premier financial institution in the Central Appalachian region. As opportunities arise, we will seize them to make our vision become a reality. Our goal is to be a high performing bank and to provide an excellent return to our shareholders. Our eyes are on that goal and we will apply our energy and efforts to make these things happen.

Thank you for your commitment as an investor. We appreciate you all very much and we look forward to a brighter future together. God bless you all!

Sincerely,

C. Todd Asbury  
President & CEO

# A LOOK BACK AT 2021



## New Peoples Bank Opens New State-of-the-Art, Full Service State Street Bristol Branch

This state-of-the-art, full service banking center features a newly designed spacious interior, a private area to access safe deposit box content, Interactive Teller Machines (ITMs) both inside and outside, a self-service coin counter, and easy, accessible drive-thru lanes.

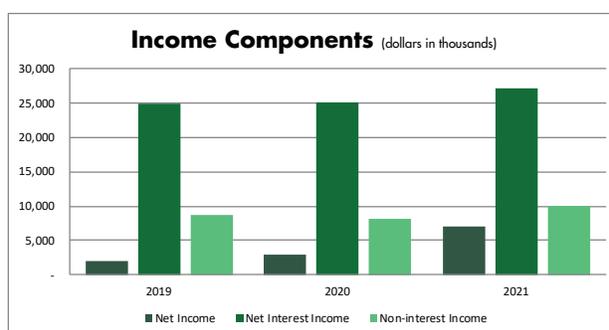
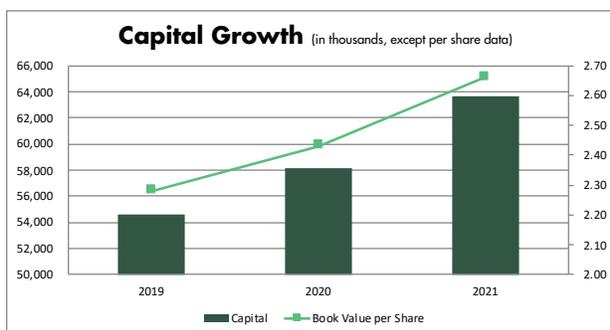
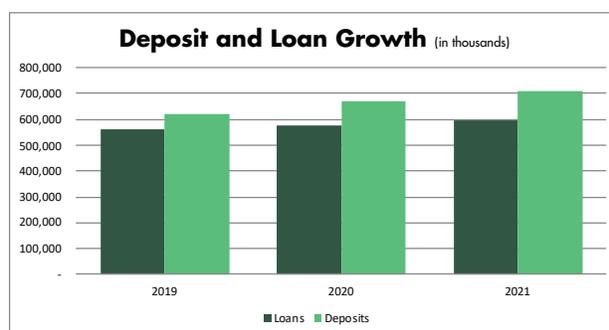
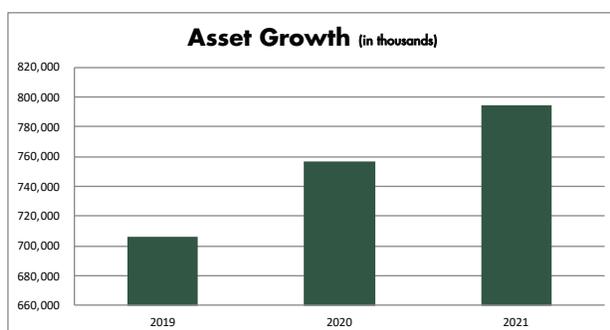
"We are excited for the opportunity to grow in the Bristol area while also expanding our presence in the Central Appalachian region," said New Peoples Bank President and CEO Todd Asbury. "We have several customers already in the vicinity and this will provide convenience for them. We believe this will be an excellent location for us to establish additional relationships with new customers in both Virginia and Tennessee."



# CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)

FOR THE YEAR	2021	2020	2019
Interest and Dividend Income	\$ 29,912	\$ 30,036	\$ 30,955
Interest Expense	2,701	4,893	5,979
Net Interest Income	27,211	25,143	24,976
Non-interest Income	9,980	8,147	8,652
Non-interest Expense	27,867	26,997	28,997
Net Income	7,010	2,890	2,059
AT YEAR END			
Assets	\$ 794,647	\$ 756,302	\$ 706,373
Loans	593,744	575,566	562,544
Deposits	707,513	668,012	621,477
Stockholders' Equity	63,632	58,177	54,602
KEY RATIOS			
Return on Average Assets	0.88%	0.39%	0.29%
Return on Average Equity	11.52%	5.18%	3.89%
Yield on Earning Assets	4.00%	4.37%	4.74%
Cost of Funds	0.57%	1.05%	1.26%
Net Interest Margin	3.64%	3.65%	3.82%
PER SHARE INFORMATION			
Net Income	\$ 0.29	\$ 0.12	\$ 0.09
Book Value	2.66	2.43	2.28





# MEET OUR TEAM

## SENIOR MANAGEMENT TEAM

**John J. Boczar**

Senior Vice President & Chief Accounting Officer

**Gary L. Keys**

First Senior Vice President & Business Development Officer

**Landon McGlothlin**

Senior Vice President & Chief Information Officer

**Joe E. Waters II**

Senior Vice President & Chief Solutions Officer

**Debbie Arrington**

Senior Vice President, Banking Operations

**Lori Counts**

Senior Vice President, Director of Human Resources

**Kathy K. Jackson**

Senior Vice President, Retail Branch Administrator

**Freddy Sullivan**

Senior Vice President & Commercial Lender III

## BRANCH LOCATIONS & MANAGEMENT

### NORTHERN MARKET

**Mori Williams,**

Senior Vice President & Northern Market President

**Bluefield Branch**

514 Commerce Drive  
Bluefield, VA 24605

**Princeton Branch (Oakvale)**

180 Lyle Way  
Princeton, WV 24740

**Princeton Branch (Stafford)**

1221 Stafford Drive  
Princeton, WV 24740

**Tazewell Branch**

127 Chamber Drive  
Tazewell, VA 24651

### CENTRAL MARKET

**Richard Smith,**

Senior Vice President & Central Market President

**Big Stone Gap Branch**

419 Shawnee Avenue East  
Big Stone Gap, VA 24219

**Castlewood Branch**

87 Miners Drive  
Castlewood, VA 24224

**Clintwood Branch**

198 Colley Shopping Center  
Clintwood, VA 24228

**Grundy Branch**

20487 Riverside Dr  
Grundy, VA 24614

**Haysi Branch**

111 Haysi Main  
Haysi, VA 24256

**Honaker Branch**

53 Commerce Drive  
Honaker, VA 24260

**Lebanon Branch**

1421 East Main Street  
Lebanon, VA 24266

**Pounding Mill Branch**

12602 Gov. GC Peery Hwy  
Pounding Mill, VA 24637

**Wise Branch**

5448 Wise-Norton Rd  
Norton, VA 24273

### SOUTHERN MARKET

**David Lecka,**

Senior Vice President & Southern Market President

**Abingdon Branch**

350 West Main Street  
Abingdon, VA 24210

**Bristol Branch**

101 Linden Square  
Bristol, VA 24202

**Bristol State St. Branch**

901 West State Street  
Bristol, VA 24203

**Chilhowie Branch**

155 East Lee Highway  
Chilhowie, VA 24319

**Gate City Branch**

663 E Jackson Street  
Gate City, VA 24251

**Kingsport Branch**

1999 East Stone Drive  
Kingsport, TN 37660

**Boone Loan**

**Production Office**  
2271 Hwy 105 S  
Boone, NC 28607

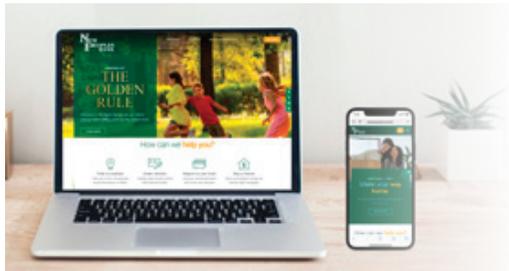


# NEW PEOPLES BANKSHARES INC

Financial Holding Company

67 Commerce Drive  
Honaker, Virginia 24260  
276-873-6288

NewPeoples.Bank  
[LinkedIn.com/NewPeoplesBankInc](https://www.linkedin.com/company/newpeoplesbankinc)  
[Facebook.com/NewPeoplesBank](https://www.facebook.com/NewPeoplesBank)  
[Twitter.com/NewPeoplesBank](https://twitter.com/NewPeoplesBank)  
[Instagram.com/newpeoplesbnk](https://www.instagram.com/newpeoplesbnk)



## Our New Website Design

Featuring updated navigation, a more streamline online banking login window, and easy access to all New Peoples Bank products and services. A new look and feel that we are sure you will love.

Honaker, Virginia is home to New Peoples Bankshares, Inc. The community also is designated as the Redbud Capital of the World by the Virginia General Assembly because amazing redbud trees abound throughout the town and nearby countryside. In early spring, Honaker erupts in a brilliant display of pink. Thousands of redbud trees herald the arrival of spring, awakening from their winter hibernation and exploding with the telltale buds that turn to lush green leaves in the weeks that follow. In honor of the Commonwealth's distinction, and in homage to our hometown, New Peoples Bankshares happily features the lovely redbud in our corporate symbol.



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