



Dear Fellow Shareholders,

First, I would like to introduce myself to you. I have been with New Peoples Bankshares and New Peoples Bank since December 2003 as its Chief Financial Officer and was just recently promoted to President and Chief Executive Officer in December 2014. I am honored to serve you in this capacity and was honored to serve in my prior roles as well. I am a native of the Bluefield, Virginia area and currently live in Bristol, Virginia with my wife, Melissa, and our four children. I have over 27 years of banking experience and am a licensed certified public accountant. I graduated from Bluefield College in 1993 and currently serve on its Board of Trustees. In addition, I am an ordained minister and have been pastoring a church in Bristol for the past eleven years. Needless to say, I stay very busy, but I know that God's grace has helped me thus far and I know it will continue. I look forward to meeting you in the future and hope you are able to attend our annual shareholders' meeting.

I want to express my deepest appreciation to each of you for your investment in New Peoples Bankshares. Your investment in this organization has made a positive impact in many peoples' lives throughout our region over the past 16 years. From the original days of its organization, our mission has been and remains *"to provide high quality, state of the art, golden rule banking services to our communities while giving a reasonable return to our stockholders and providing a challenging and rewarding work environment for our family of employees."* It is my sincere intention to lead our organization to accomplish this mission.

I am optimistic about where things are going. We have been through a lot together over the past six years during the Great Recession, but we are still standing and growing stronger. We have had mountains of challenges that we had to deal with and progress is being made on every front. As I see it things are improving. Asset quality is improving, capital levels are getting higher, we are not losing money, efficiencies are being gained in our overall operations, a devoted team of Board members and employees are committed to making us a high performing bank, and a strong foundation of policies and corporate governance are in place for future safe, sound and profitable growth to take place. We look forward to what the future holds.

I am an optimist, but I am also a realist, too. Are we completely out of the woods yet? Not yet, but we are getting closer. Some challenges still linger from the anemic economy and the impact it has had on asset quality levels, earnings and capital. Asset quality issues remain higher than we desire but we are working diligently to resolve them. Earnings, although positive, are below where we want them to be. Capital levels are not yet at the long term minimum goal that we have established, but we are getting closer. We still remain under a formal written agreement and must comply with its requirements. Some processes are cumbersome and are being revamped to be made more efficient for the future. Employees are being further developed and trained to best serve our customers and to gain new customers. Competition is fierce. We are not where we want to be, but thankfully we are not where we used to be.

One of our main initiatives is to enrich you, our shareholders, through solid earnings to increase the value of your investment and to be able to pay a cash dividend in the future. Earnings are key to making this happen. The fact is that before a cash dividend can be paid, we must have positive retained earnings at a consolidated level. At the end of 2014, we had negative retained earnings of \$17.7 million. This too is a challenge, but we are diligently working to return to positive retained earnings over the next five years. This may seem like a long time, and I understand, but I believe it is a realistic assessment and we are working diligently to make it happen by then or sooner.

I need your help. Help me promote our bank in the community and bring in new customers. Help me to share the good things that are taking place with others. If you don't already, bank with us, allow one of our financial advisors to help you with financial services, and check out our insurance services for your insurance needs. We want your business and need your goodwill to help us to move forward. I appreciate all of your help.

Lastly, I want to acknowledge Jonathan Mullins, the former President and CEO, who resigned in December 2014. Jonathan led with integrity and did his very best to improve the bank during his tenure. We wish him the very best for the future.

Enclosed are our annual financial reports, a guide book to help you know what services we have to offer, the proxy statement and the proxy card that you may use to vote.

I am honored to serve you and look forward to the future together. If I can be of any assistance to you, please do not hesitate to contact me. I hope to meet you in the future and hope that you will join us at the annual shareholders' meeting on June 2nd at our Abingdon, Virginia office.

Sincerely,

A handwritten signature in black ink that reads "C. Todd Asbury". The signature is fluid and cursive, with a large, sweeping flourish at the end.

C. Todd Asbury
President and CEO