

ZACHARY BENJAMIN I  
Form 4  
March 18, 2003

**Form 4**

**UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION  
Washington, DC 20549**

OMB APPROVAL  
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[ ] Check box if no longer  
subject to Section 16.  
Form 4 or Form 5  
obligations may  
continue. See  
instructions 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public  
Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

|                                                                         |         |          |                                                                                                          |                                                             |  |                                                                                                                                                |  |  |
|-------------------------------------------------------------------------|---------|----------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 1. Name and Address of Reporting Person*<br><b>Zachary, Benjamin I.</b> |         |          | 2. Issuer Name and Ticker or Trading Symbol<br><b>PEOPLES BANCORP OF NORTH CAROLINA,<br/>INC. (PEBK)</b> |                                                             |  | 6. Relationship of Reporting Person(s) to<br>Issuer                                                                                            |  |  |
| (Last)                                                                  | (First) | (Middle) | 3. I.R.S.<br>Identification<br>Number of<br>Reporting Person,<br>if an entity<br>(voluntary)             | 4. Statement for<br>Month/Day/Year<br><br><b>03/14/2003</b> |  | (Check all applicable)                                                                                                                         |  |  |
| <b>145 Second Ave.</b>                                                  |         |          |                                                                                                          |                                                             |  | <input checked="" type="checkbox"/> Director _____ 10%<br>Owner<br>____ Officer (give title below) _____ Other<br>(specify below)<br><br>_____ |  |  |
| (Street)                                                                |         |          |                                                                                                          | 5. If Amendment, Date of<br>Original (Month/Day/Year)       |  | 7. Individual or Joint/Group Filing<br>(Check Applicable Line)                                                                                 |  |  |
| <b>Taylorsville, NC 28681</b>                                           |         |          |                                                                                                          |                                                             |  | <input checked="" type="checkbox"/> Form filed by One Reporting Person<br>____ Form filed by More than One<br>Reporting Person                 |  |  |
| (City)                                                                  | (State) | (Zip)    | <b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially<br/>Owned</b>              |                                                             |  |                                                                                                                                                |  |  |

| 1. Title of Security<br>(Instr. 3)                                          | 2. Transaction<br>Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution<br>Date, if any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) |   | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) |                  |               | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transactions<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|-----------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------|--------------------------------------|---|-------------------------------------------------------------------------|------------------|---------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                                             |                                            |                                                             | Code                                 | V | Amount                                                                  | (A)<br>or<br>(D) | Price         |                                                                                                                  |                                                                      |                                                                   |
| <b>Peoples<br/>Bancorp of<br/>North Carolina,<br/>Inc. Common<br/>Stock</b> | <b>03/14/2003</b>                          |                                                             | <b>J (1)</b>                         |   | <b>37.9417</b>                                                          | <b>A</b>         | <b>14.556</b> | <b>5,560.7766</b>                                                                                                | <b>D</b>                                                             |                                                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.  
\* If the form is filed by more than one reporting person, see Instructions 4(b)(v).

Potential persons who are to respond to the collection of information contained in this form are not required to respond  
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(Over)  
SEC 1474  
(9-02)

**FORM 4 (continued) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

| 2. Conversion<br>or<br>Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction<br>Date<br>(Month/<br>Day/Year) | 3A. Deemed<br>Execution<br>Date, if<br>any<br>(Month/<br>Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or | 6. Date Exercisable<br>and Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Number of<br>Derivative<br>Securities<br>Beneficially<br>Owned<br>Following | 10. Ownership<br>Form of<br>Derivative<br>Security:<br>Direct (D)<br>or Indirect | 11. Natu<br>Indir<br>Ben<br>Own<br>(Inst |
|-----------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------|
|-----------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------|

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|  |  |  | Disposed of (D)<br>(Instr. 3, 4 and 5) |   |     |     | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Reported Transaction(s)<br>(Instr. 4) | (I)<br>(Instr. 4) |
|--|--|--|----------------------------------------|---|-----|-----|------------------|-----------------|-------|----------------------------|---------------------------------------|-------------------|
|  |  |  | Code                                   | V | (A) | (D) |                  |                 |       |                            |                                       |                   |
|  |  |  |                                        |   |     |     |                  |                 |       |                            |                                       |                   |

Explanation of Responses:

**(1) Dividend Reinvestment Plan**

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations.  
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

/s/ Benjamin I. Zachary

**03/18/2003**

\*\*Signature of Reporting Person

Date

Note: File three copies of this Form, one of which must be manually signed.  
If space is insufficient, see Instruction 6 for procedure.

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