Peoples Bancorp
OF NORTH CAROLINA, INC.

# ANNUAL REPORT 2010

# ANNUAL REPORT 2010

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## FROM THE PRESIDENT

We are pleased to report to our shareholders, customers, and friends that 2010 was a profitable year at Peoples Bancorp of North Carolina, Inc. Net income amounted to $1.8 million, or $0.33 basic and diluted net earnings per share before adjustment for preferred stock dividends and accretion. After adjusting for dividends and accretion on preferred stock, net earnings available to common shareholders for the year ended December 31, 2010 were $447,000, or $0.08 basic and diluted net earnings per share. These results were accomplished during the most challenging economic climate that your management team has ever witnessed throughout our cumulative 155 years of banking experience. Financial results for the 2010 fiscal year compared with net income for the year ended December 31, 2009 of $2.9 million, or $0.53 basic and diluted net earnings per share before adjustment for preferred stock dividends and accretion. Net earnings available to common shareholders for the twelve months ended December 31, 2009 amounted to $1.7 million, or $0.30 basic and diluted net earnings per common share.

We are also pleased to share with you that Peoples Bancorp's risk-based capital ratio was 15.51% at December 31, 2010, which exceeded the regulatory "well-capitalized" threshold of 10.00%. Such designation as a well-capitalized financial institution provides an added measure of strength. Preservation of capital has been a key initiative as we have navigated our way through this period of economic turmoil. Even in difficult times, the Company has remained strong, profitable, and stable. Your Board of Directors continued to share a portion of earnings in the form of quarterly cash dividends in the amount of $0.08 per common share during 2010.

Asset growth slowed to an increase of 2% during 2010 to $1.1 billion. The increase was primarily attributable to an increase in investment securities available for sale. Available for sale securities increased 40% to $272.4 million as of December 31, 2010. Total loans decreased to $726.2 million at year-end 2010 compared to $778.1 million one year ago. The decrease in outstanding loans reflected a decline in loan originations combined with continuing payments on existing loans and payoffs.

Non-performing assets increased 63% to $46.9 million, or 4.40% of total assets, during 2010 compared to $28.8 million, or 2.74% of total assets, one year ago. The increase in non-performing assets was primarily due to a $17.3 million increase in non-accrual loans. The allowance for loan losses at December 31, 2010 amounted to $15.5 million, or 2.31% of total loans, compared to $15.4 million, or 1.98% of total loans, twelve months earlier. We would like to think that the current level of the allowance for loan losses is adequate; however, there is no assurance that additional adjustments to the allowance will not be required because of changes in economic conditions, regulatory requirements, or other factors.

Deposits during last fiscal year increased 4% to $838.7 million which indicates our success in attracting additional funding sources as we work through this unstable economic environment. In particular, core deposits which account for the Bank's lowest cost of funding increased $23.7 million to $592.7 million at December 31, 2010. As we seek to enhance our net interest margin, a key initiative for 2011 is the continued growth of core deposits, which include non-interest bearing demand deposits, NOW, MMDA, savings, and non-brokered certificates of deposit of denominations less than $100,000.

We enter 2011 with cautious optimism with respect to prevailing and forecasted economic conditions in our local markets. Due to events, both nationally and globally, it is difficult to gauge the pace of recovery from the recent recession. Our belief, however, is that growth should remain moderate. It is anticipated that any self-sustaining expansion in the year would be influenced by job growth, consumer spending, and business investment. We have managed through 2010 without a double dip recession, but sluggish economic growth during the past year has not felt much like a recovery to anyone.

Even in the face of a struggling economic environment, there are other positive factors that should be highlighted. I want you to know how extremely proud we are of our dedicated staff who commit themselves to exceeding your expectations on a daily basis. Peoples Bank bankers differentiate themselves, on a daily basis, in the marketplace by consistently demonstrating a relentless desire to recommend financial solutions specifically tailored to the individual needs of our customers. We appreciate your participation and feedback in periodic customer surveys affirming a high level of customer service satisfaction throughout our market area. I wish to express appreciation to each banking associate for their resolve and determination to provide service excellence.

Your Board of Directors deserves recognition for their diligent oversight of the affairs of this Company. They have provided wise counsel and served shareholders effectively through the course of the year. I am grateful for their guidance and direction.

On January 1, 2012 Peoples Bank will be celebrating its 100th Business Anniversary. We are planning activities and events to be held throughout 2012 for this tremendous milestone in your Bank's history. We look forward to celebrating with you.

In closing, we wish to express our appreciation to each of you who has made Peoples Bank your bank of choice. We would also remind you of our wholly-owned subsidiaries—Peoples Investment Services, Inc. and Real Estate Advisory Services, Inc. which complement our suite of financial services. In addition, Community Bank Real Estate Solutions, LLC was created as a subsidiary of the Company to assist other community banks with fee-based appraisal services.

We encourage your comments and questions and invite the opportunity to assist you in meeting your financial goals.

Sincerely,

Tony W. Wolfe, President and Chief Executive Officer

December 31, 2010 and 2009
(dollars in thousands, except per share amounts)

| | | 2010 | 2009 | Change |
|---|---|---|---|---|
| Interest income | $ | 47,680 | 50,037 | -5% |
| Interest expense | | 14,348 | 17,187 | -17% |
| Net interest earnings | | 33,332 | 32,850 | 1% |
| Provision for loan losses | | 16,438 | 10,535 | 56% |
| Net interest earnings after provision for loan losses | | 16,894 | 22,315 | -24% |
| Non-interest income | | 13,884 | 11,823 | 17% |
| Non-interest expense | | 28,948 | 29,883 | -3% |
| Income taxes | | (11) | 1,339 | -101% |
| Net earnings | | 1,841 | 2,916 | -37% |
| Dividends and accretion of preferred stock | | 1,394 | 1,246 | 12% |
| Net earnings available to common shareholders | $ | 447 | 1,670 | -73% |
| **Per Share of Common Stock** | | | | |
| Basic net earnings | $ | 0.08 | 0.30 | -73% |
| Diluted net earnings | | 0.08 | 0.30 | -73% |
| Cash dividends | | 0.08 | 0.26 | -69% |
| Market price at December 31 | | 5.25 | 4.95 | 6% |
| Book value at December 31 | | 12.96 | 13.39 | -3% |
| **At Year-end** | | | | |
| Loans, net | $ | 710,667 | 762,643 | -7% |
| Available for sale securities | | 272,449 | 195,115 | 40% |
| Assets | | 1,067,652 | 1,048,494 | 2% |
| Deposits | | 838,712 | 809,343 | 4% |
| Shareholders' equity | | 96,858 | 99,223 | -2% |
| **Key Performance Ratios** | | | | |
| Return on average assets | | 0.17% | 0.29% | |
| Return on average shareholders' equity | | 1.81% | 2.88% | |
| Dividend payout ratio * | | 100.11% | 86.22% | |
| Average shareholders' equity to total average assets | | 9.42% | 9.95% | |

* As a percentage of net earnings available to common shareholders.

Porter Keadle Moore, LLP

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders
Peoples Bancorp of North Carolina, Inc.
Newton, North Carolina

We have audited the consolidated balance sheets of Peoples Bancorp of North Carolina, Inc. as of December 31, 2010 and 2009, and the related consolidated statements of earnings, changes in shareholders' equity, comprehensive income (loss) and cash flows for each of the three years in the period ended December 31, 2010. Such consolidated financial statements and our report thereon dated March 25, 2011, expressing an unqualified opinion (which are not included herein) are included in the proxy statement for the 2011 annual meeting of shareholders. The accompanying condensed consolidated balance sheets and consolidated statements of earnings are the responsibility of the Company's management. Our responsibility is to express an opinion on such consolidated balance sheets and consolidated statements of earnings in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2010 and 2009 and the related consolidated statements of earnings for each of the three years in the period ended December 31, 2010, is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

Porter Keadle Moore, LLP

Atlanta, Georgia
March 25, 2011

Certified Public Accountants
Suite 1800 • 235 Peachtree Street NE • Atlanta, Georgia 30303 • Phone 404-588-4200 • Fax 404-588-4222 • www.pkm.com

# CONSOLIDATED BALANCE SHEETS

December 31, 2010 and 2009 • (dollars in thousands)

| | | 2010 | 2009 |
|---|---|---|---|
| **Assets** | | | |
| Cash and due from banks, including reserve requirements of $8,698,000 and $5,017,000 | $ | 22,521 | 29,633 |
| Interest bearing deposits | | 1,456 | 1,707 |
| Cash and cash equivalents | | 23,977 | 31,340 |
| Certificates of deposit | | 735 | 3,345 |
| Investment securities available for sale | | 272,449 | 195,115 |
| Other investments | | 5,761 | 6,346 |
| Total securities | | 278,210 | 201,461 |
| Mortgage loans held for sale | | 3,814 | 2,840 |
| Loans | | 726,160 | 778,056 |
| Less allowance for loan losses | | (15,493) | (15,413) |
| Net loans | | 710,667 | 762,643 |
| Premises and equipment, net | | 17,334 | 17,947 |
| Cash surrender value of life insurance | | 7,539 | 7,282 |
| Accrued interest receivable and other assets | | 25,376 | 21,636 |
| Total assets | $ | 1,067,652 | 1,048,494 |
| **Liabilities and Shareholders' Equity** | | | |
| Deposits: | | | |
| Non-interest bearing demand | $ | 114,792 | 117,636 |
| NOW, MMDA & savings | | 332,511 | 290,273 |
| Time, $100,000 or more | | 241,366 | 233,142 |
| Other time | | 150,043 | 168,292 |
| Total deposits | | 838,712 | 809,343 |
| Demand notes payable to U.S. Treasury | | 1,600 | 636 |
| Securities sold under agreement to repurchase | | 34,094 | 36,876 |
| FHLB borrowings | | 70,000 | 77,000 |
| Junior subordinated debentures | | 20,619 | 20,619 |
| Accrued interest payable and other liabilities | | 5,769 | 4,797 |
| Total liabilities | | 970,794 | 949,271 |
| Commitments | | | |
| Shareholders' equity: | | | |
| Series A preferred stock, $1,000 stated value; authorized 5,000,000 shares; issued and outstanding 25,054 shares in 2010 and 2009 | | 24,617 | 24,476 |
| Common stock, no par value; authorized 20,000,000 shares; issued and outstanding 5,541,413 shares in 2010 and 5,539,056 shares in 2009 | | 48,281 | 48,269 |
| Retained earnings | | 23,573 | 23,573 |
| Accumulated other comprehensive income | | 387 | 2,905 |
| Total shareholders' equity | | 96,858 | 99,223 |
| Total liabilities and shareholders' equity | $ | 1,067,652 | 1,048,494 |

Refer to Appendix A of Peoples Bancorp of North Carolina, Inc. Proxy Statement, dated April 5, 2011, for a complete set of Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF EARNINGS

For the Years Ended December 31, 2010, 2009 and 2008 • (dollars in thousands, except per share amounts)

| | | 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Interest income: | | | | |
| Interest and fees on loans | $ | 40,267 | 43,211 | 50,604 |
| Interest on federal funds sold | | - | 1 | 55 |
| Interest on investment securities: | | | | |
| U.S. Government sponsored enterprises | | 5,035 | 5,461 | 4,392 |
| States and political subdivisions | | 2,173 | 1,242 | 904 |
| Other | | 205 | 122 | 367 |
| Total interest income | | 47,680 | 50,037 | 56,322 |
| Interest expense: | | | | |
| NOW, MMDA & savings deposits | | 3,472 | 2,965 | 3,249 |
| Time deposits | | 6,786 | 9,687 | 15,008 |
| FHLB borrowings | | 3,285 | 3,577 | 3,616 |
| Junior subordinated debentures | | 411 | 546 | 1,016 |
| Other | | 394 | 412 | 637 |
| Total interest expense | | 14,348 | 17,187 | 23,526 |
| Net interest income | | 33,332 | 32,850 | 32,796 |
| Provision for loan losses | | 16,438 | 10,535 | 4,794 |
| Net interest income after provision for loan losses | | 16,894 | 22,315 | 28,002 |
| Other income: | | | | |
| Service charges | | 5,626 | 5,573 | 5,203 |
| Other service charges and fees | | 2,195 | 2,058 | 2,399 |
| Other than temporary impairment losses | | (291) | (723) | (300) |
| Gain on sale of securities | | 3,348 | 1,795 | 133 |
| Mortgage banking income | | 532 | 827 | 660 |
| Insurance and brokerage commissions | | 390 | 414 | 426 |
| Loss on sale and write-down of other real estate and repossessed assets | | (704) | (501) | (287) |
| Miscellaneous | | 2,788 | 2,380 | 2,261 |
| Total non-interest income | | 13,884 | 11,823 | 10,495 |
| Non-interest expense: | | | | |
| Salaries and employee benefits | | 14,124 | 14,758 | 15,194 |
| Occupancy | | 5,436 | 5,409 | 5,029 |
| Other | | 9,388 | 9,716 | 8,670 |
| Total non-interest expense | | 28,948 | 29,883 | 28,893 |
| Earnings before income taxes | | 1,830 | 4,255 | 9,604 |
| Income tax (benefit) expense | | (11) | 1,339 | 3,213 |
| Net earnings | | 1,841 | 2,916 | 6,391 |
| Dividends and accretion of preferred stock | | 1,394 | 1,246 | - |
| Net earnings available to common shareholders | $ | 447 | 1,670 | 6,391 |
| Basic net earnings per common share | $ | 0.08 | 0.30 | 1.14 |
| Diluted net earnings per common share | $ | 0.08 | 0.30 | 1.13 |
| Cash dividends declared per common share | $ | 0.08 | 0.26 | 0.48 |

Refer to Appendix A of Peoples Bancorp of North Carolina, Inc. Proxy Statement, dated April 5, 2011, for a complete set of Consolidated Financial Statements.

# OFFICERS AND SUBSIDIARIES

## Peoples Bancorp Officers

**Tony W. Wolfe**
President and Chief Executive Officer

**Joseph F. Beaman, Jr.**
Executive Vice President and Corporate Secretary

**A. Joseph Lampron, Jr.**
Executive Vice President, Chief Financial Officer and Corporate Treasurer

**Lance A. Sellers**
Executive Vice President and Assistant Corporate Secretary

**William D. Cable, Sr.**
Executive Vice President and Assistant Corporate Treasurer

## Peoples Bank Officers

**Tony W. Wolfe –** President and Chief Executive Officer

**Joseph F. Beaman, Jr. –** Executive Vice President, Chief Administrative Officer and Corporate Secretary

**A. Joseph Lampron, Jr. –** Executive Vice President, Chief Financial Officer

**Lance A. Sellers –** Executive Vice President, Chief Credit Officer

**William D. Cable, Sr. –** Executive Vice President, Chief Operating Officer

**J. Manuel Rey –** President, Banco de la Gente

**Kimberly L. Boyd –** Senior Vice President, Banking Support

**James O. Perry –** Senior Vice President, Retail Banking Manager

**David E. Reitzel –** Senior Vice President, Real Estate Administration

**Daniel F. Richard –** Senior Vice President, Area Executive

**Mark W. Sigmon –** Senior Vice President, Area Executive

**Clifton A. Wike –** Senior Vice President, Area Executive

**Kimberly D. Bazzle –** First Vice President, Marketing

**David C. Brown –** First Vice President, Certified Financial Planner

**Steven F. Cloninger –** First Vice President, Commercial Credit

**George S. Earp –** First Vice President, Finance

**Jeffrey P. Gniadek –** First Vice President, Area Executive

**M. Beth LaBarbera –** First Vice President, Regional Sales Manager

**Lucretia K. Rogers –** First Vice President, Regional Sales Manager

**Kyle E. Sigmon –** First Vice President, Consumer Credit

**Tammy H. Stephens –** First Vice President, Director of Information Technology

**Brenda L. Terrell –** First Vice President, Operations Manager

**Timothy P. Turner –** First Vice President, Commercial Credit

**John M. Woods –** First Vice President, Area Executive

**Angela J. Abernethy –** Vice President, Business Services Sales Manager

**J. LaShae Bock –** Vice President, Human Resources Director

**Velvet L. Bowman –** Vice President, Service Center Manager

**Christopher L. Brookshire –** Vice President, RAA/GAA

**Helga Y. Callaway -** Vice President, Business Center Manager, Catawba Valley Blvd

**Peggy W. Carpenter –** Vice President, Business Center Manager, North Newton

**Shana R. Carpenter –** Vice President, Business Center Manager, Denver

**Wendy E. Cordero –** Vice President, Banco de la Gente Operations Manager

**Deborah W. Craig -** Vice President, Director of Learning and Development

**Kay F. Deal –** Vice President, Business Center Manager, Conover

**John R. Duncan –** Vice President, Problem Asset Manager

**Barbara K. Farnsworth –** Vice President, Business Center Manager, Lincolnton

**Mark W. Gustafson –** Vice President, Investment Account Executive

**Tommie A. Hall –** Vice President, Loan Documentation

**Leslie D. Hambrick –** Vice President, Internal Auditor

**Diane L. Klein –** Vice President, Business Center Manager, Viewmont

**E. Dean Lawing –** Vice President, Mortgage Lending Manager

**David S. Lewis, Jr. –** Vice President, Business Development Officer

**Wendy H. Moran –** Vice President, Business Center Manager, Triangle

**Connie P. Ollis –** Vice President, Compliance Officer

**Paula M. Parker –** Vice President, Business Center Manager, Claremont

**Hight D. Reid –** Vice President, Business Center Manager, West Lincoln

**Jeanette R. Ringley –** Vice President, Business Center Manager, Newton

**Lisa G. Treadaway –** Vice President, Deposit Operations Manager

**Joe S. Tripp –** Vice President, Business Development Officer

**Denise C. Williams –** Vice President, Business Center Manager, Mooresville/Gateway

## Peoples Bancorp Subsidiary Board of Directors and Officers

### Community Bank Real Estate Solutions, LLC

| Board of Directors | Officers |
|---|---|
| Robert C. Abernethy | Tony W. Wolfe – President |
| David E. Reitzel | David E. Reitzel – Vice President |
| Dan Ray Timmerman, Sr. | Joseph F. Beaman, Jr. – Secretary |
| Tony W. Wolfe | A. Joseph Lampron, Jr. – Treasurer |

## Peoples Bank Subsidiaries' Board of Directors and Officers

### Peoples Investment Services, Inc.

| Board of Directors | Officers |
|---|---|
| Robert C. Abernethy | Tony W. Wolfe – President |
| Billy L. Price, Jr., M.D. | David C. Brown – Vice President and Assistant Secretary |
| David C. Brown | Joseph F. Beaman, Jr. – Secretary |
| Larry E. Robinson | A. Joseph Lampron, Jr. – Treasurer |
| Douglas S. Howard | |
| Tony W. Wolfe | |

### Real Estate Advisory Services, Inc.

| Board of Directors | Officers |
|---|---|
| Robert C. Abernethy | Tony W. Wolfe – President |
| Dan Ray Timmerman, Sr. | David E. Reitzel – Vice President |
| David E. Reitzel | Joseph F. Beaman, Jr. – Secretary |
| Tony W. Wolfe | A. Joseph Lampron, Jr. – Treasurer |

# SHAREHOLDER AND GENERAL INFORMATION

### Annual Meeting

The Annual Meeting of Shareholders of Peoples Bancorp will be held at 11:00 A.M. on Thursday, May 5, 2011, at the Catawba Country Club located at 1154 Country Club Road, Newton, North Carolina.

### Shareholders' Luncheon

Shareholders in attendance at the Annual Meeting are cordially invited to remain for a luncheon to be served immediately upon adjournment.

### Common Stock

Peoples Bancorp common stock is traded on the over-the-counter (OTC) market and quoted in the NASDAQ (National Association of Securities Dealers Automated Quotations) Global Market, where our symbol is PEBK.

Price and volume information is contained in most major daily newspapers in the Over the Counter Markets section under the National Market System listing. Peoples Bancorp stock is marketed by Scott & Stringfellow, Inc. and Sterne Agee & Leach, Inc.

### Dividend Reinvestment & Stock Purchase

Peoples Bancorp offers a Dividend Reinvestment and Stock Purchase Plan for the benefit of the Corporation's shareholders. The Plan provides for the full or partial reinvestment of cash dividends, optional cash purchases of the Corporation's stock, safekeeping of the share certificates, liquidation of shares, and gifting of shares and enrollment of the designated recipients.

Registrar and Transfer Company, Cranford, New Jersey, is the Plan Administrator. For more information, one may call the Investor Relations Department at Peoples Bancorp at 828-464-5620 or 800-948-7195 or contact the Plan Administrator at 800-368-5948.

Shareholders of Peoples Bancorp are entitled to receive dividends when and as declared by the Board of Directors out of funds legally available therefore.

Such dividend payments are declared based upon the guidelines of North Carolina and federal banking law.

As of March 17, 2011, the Company had 719 shareholders of record, not including the number of persons or entities whose stock is held in nominee or street name through various brokerage firms or banks.

### Corporate Office

Peoples Bancorp of North Carolina, Inc.
518 West C Street
PO Box 467
Newton, NC 28658
828-464-5620

### Stock Transfer Agent & Registrar

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016-3572
www.rtco.com

### Independent Auditors

Porter Keadle Moore, LLP
235 Peachtree Street, NE
Suite 1800
Atlanta, GA 30303

# BOARD OF DIRECTORS

### Peoples Bank and Peoples Bancorp Board of Directors

**Robert C. Abernethy**
Chairman of the Board
Peoples Bancorp of North Carolina, Inc. and Peoples Bank
President, Secretary and Treasurer
Carolina Glove Company, Inc.

**James S. Abernethy**
President and Assistant Secretary
Midstate Contractors, Inc.

**Douglas S. Howard**
Owner
Howard Ventures
Secretary and Treasurer
Denver Equipment of Charlotte, Inc.

**John W. Lineberger, Jr.**
President
Lincoln Bonded Warehouse Company

**Gary E. Matthews**
President and Director
Matthews Construction Company, Inc.

**Billy L. Price, Jr., M.D.**
Managing Partner and Practitioner of Internal Medicine
Catawba Valley Internal Medicine, PA

**Larry E. Robinson**
President and Chief Executive Officer
The Blue Ridge Distributing Company, Inc.

**W. Gregory Terry**
Executive Vice President
Drum and Willis-Reynolds Funeral Homes and Crematory

**Dan Ray Timmerman, Sr.**
President and Chief Executive Officer
Timmerman Manufacturing, Inc.

**Benjamin I. Zachary**
President, Treasurer, General Manager and Director
Alexander Railroad Company

# LOCATIONS

**TheRealPeoplesBank.com**

**Peoples Bancorp Center**
518 West C Street
PO Box 467
Newton, NC 28658
(828) 464-5620
Toll-free (800) 948-7195

**Customer Service Center**
(828) 466-1765
Toll-free (877) 802-1212

**Catawba**
106 North Main Street
Catawba, NC 28609
(828) 241-3123

**Catawba Valley Boulevard**
2050 Catawba Valley Blvd. SE
Hickory, NC 28602
(828) 322-6372

**Claremont**
3261 East Main Street
Claremont, NC 28610
(828) 459-7152

**Conover**
213 First Street West
Conover, NC 28613
(828) 464-8456

**Cornelius**
9624-I Bailey Road
Cornelius, NC 28031
(704) 237-9270

**Denver**
6125 Highway 16 South
Denver, NC 28037
(704) 483-3050

**Hiddenite**
5153 NC Highway 90 East
Hiddenite, NC 28636
(828) 632-0118
(704) 585-6631

**Lincolnton**
1910 East Main Street
Lincolnton, NC 28092
(704) 732-0097

**Maiden**
200 Island Ford Road
Maiden, NC 28650
(828) 428-9874

**Mooresville**
1074 River Highway
Mooresville, NC 28117
(704) 658-3600

**Mooresville Gateway**
125-E Trade Court
Mooresville, NC 28117
(704) 663-0384

**Newton**
420 West A Street
Newton, NC 28658
(828) 464-5663

**North Newton**
2619 North Main Avenue
Newton, NC 28658
(828) 464-8664

**Springs Road**
3310 Springs Road NE
Hickory, NC 28601
(828) 256-9229

**Triangle**
142 Highway 16 South
Denver, NC 28037
(704) 483-7727
(704) 827-2370

**Viewmont**
1333 2nd Street NE
Hickory, NC 28601
(828) 345-6262

**West Lincoln**
760 Highway 27 West
Lincolnton, NC 28092
(704) 736-1447

**Satellite Location**
**Abernethy Laurels**
102 Leonard Avenue
Newton, NC 28658
(828) 464-3077

**Denver Loan Production Office**
3754 Highway 16 North
Denver, NC 28037
(704) 489-8940

**Banco de la Gente**
6300 South Boulevard
Charlotte, NC 28217
(704) 554-7494

**Banco de la Gente**
4451-A Central Avenue
Charlotte, NC 28205
(704) 531-4571

**Banco de la Gente**
501 West Roosevelt Boulevard
Monroe, NC 28110
(704) 261-2020

**Banco de la Gente**
4011 Capital Boulevard
Suite 121
Raleigh, NC 27604
(919) 747-8000

# OUR FOCUS

**Real People.** People like us. People who live and work in the same community. People we see at school, at church and at the grocery store. People who are our friends, our family and our customers. Day in, day out, we focus on what's important: being a real Peoples Bank.

# ANNUAL REPORT 2010

Peoples Bancorp
OF NORTH CAROLINA, INC.

# ANNUAL REPORT 2010

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