

PEOPLES BANCORP OF NORTH CAROLINA INC  
 Form 5  
 February 14, 2011

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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 \*  
**TERRY WILLIAM GREGORY**

(Last) (First) (Middle)

518 WEST C STREET

(Street)

NEWTON, NC 28658

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**PEOPLES BANCORP OF NORTH CAROLINA INC [PEBK]**

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D)		5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price		
Common Stock	02/09/2010	Â	L(1)	58.62	A	\$ 5.2783	D	Â
Common Stock	02/12/2010	Â	L(1)	136.78	A	\$ 5.2735	D	Â
Common Stock	03/02/2010	Â	L(1)	110.433	A	\$ 5.4267	D	Â
Common Stock	03/19/2010	Â	L(2)	7.3397	A	\$ 5.74	D	Â

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Common Stock	04/27/2010	Â	L <sup>(1)</sup>	86.838	A	\$ 7.2662	8,660.7459	D	Â
Common Stock	05/05/2010	Â	L <sup>(1)</sup>	72.436	A	\$ 6.884	8,733.1819	D	Â
Common Stock	05/27/2010	Â	L <sup>(1)</sup>	83.03	A	\$ 6.0304	8,816.2119	D	Â
Common Stock	06/15/2010	Â	L <sup>(2)</sup>	6.9884	A	\$ 6.05	8,823.2003	D	Â
Common Stock	08/04/2010	Â	L <sup>(1)</sup>	226.366	A	\$ 5.0139	9,049.5663	D	Â
Common Stock	09/08/2010	Â	L <sup>(1)</sup>	98.301	A	\$ 5.1102	9,147.8673	D	Â
Common Stock	09/15/2010	Â	L <sup>(2)</sup>	8.1704	A	\$ 5.19	9,156.0377	D	Â
Common Stock	09/08/2010	Â	L <sup>(1)</sup>	98.301	A	\$ 5.1102	9,254.3387	D	Â
Common Stock	11/12/2010	Â	L <sup>(1)</sup>	220.01	A	\$ 5.1099	9,474.3487	D	Â
Common Stock	12/02/2010	Â	L <sup>(1)</sup>	98.49	A	\$ 5.1341	9,572.8387	D	Â
Common Stock	12/15/2010	Â	L <sup>(2)</sup>	9.0021	A	\$ 4.73	9,581.8408	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	1,500	I	Custodian of Daughter
Common Stock	Â	Â	Â	Â	Â	Â	1,500	I	Custodian of Son

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. of D Se Bo O Er Is Fi (I
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
(A)	(D)			

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TERRY WILLIAM GREGORY 518 WEST C STREET NEWTON, NC 28658	X			

## Signatures

W. Greg Terry	02/14/2011
<small>**Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Shares acquired through Directors and Officers Deferral Plan
- (2) shares acquired through Dividend Reinvestment Plan

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