


How does an **ARM** compare to a **Fixed rate mortgage?**

\$200,000 Loan Amount	5 Year ARM	30 Year Fixed	Difference
Rate	3.5%	4.99%	1.49%
Payment	\$898	\$1,072	\$174
Total Payments made in 1st 5 years	\$53,885	\$64,345	\$10,460
Loan Balance after 5 years	\$179,394	\$183,361	\$3,967
<b>Total</b> →			<b>\$14,427</b>



## Mortgage News

At Home Mortgage Solutions we don't always compare apples to apples. Sometimes you have to compare apples to oranges to discover all of the potential solutions for your mortgage needs.

We pride ourselves on our diverse knowledge of all mortgage products to ensure that we find the right solution for every borrower.

A 5 year adjustable rate mortgage may be better than a 30 year fixed rate mortgage for your situation, and could save you thousands of dollars. An ARM may not be right for everyone, but for some it is the best choice.

To find the right mortgage solution for you, contact one of our expert mortgage consultants at 1-877-605-2474. We have offices to serve you in Greensboro, Winston-Salem and Charlotte.

COMMERCIAL BANK  
**PREMIER**



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# PREMIER NEWS

SPRING 2011

## A Letter From the President

Dear Premier Clients and Shareholders:

I want to update you on our progress in building the bank. While the year 2010 was another difficult one for the banking industry as a whole, Premier saw another year of solid growth:

- Assets grew by 28% to \$101 million.
- Loans grew by 37% to \$67 million.
- Core Deposits grew by 55% to \$48 million.



**Frank Gavigan**  
President  
Chief Executive Officer

It is well worth noting that Premier's asset quality continues to be excellent—the Bank ended the year with zero non-performing assets. Our long-standing conviction is that nothing is more important to building a great financial institution than asset quality.

The growth Premier experienced in 2010 was hard-earned. Our team worked diligently to expand relationships with our valued existing clients, and opened many promising new relationships with quality area companies and individuals. If you want to deal with a bank that believes its first job is to listen, and it's most important job is to help you meet your goals and particular needs, then Premier is the financial institution for you.

We are excited by the establishment of a new division of the Bank that will provide residential mortgage origination. This will allow us to significantly broaden our product offering to our customers. Home Mortgage Solutions, as the division is called, will be an excellent addition to the company. David Howard heads up this effort, and he comes to us with many years of experience.

Two of the most important things you can do for us are to give Premier an opportunity to be your bank and to refer other businesses and individuals who you think would value Premier banking. We greatly appreciate your business, any additional opportunities you allow us, and any and all referrals to new opportunities. I am excited about our prospects for 2011 and look forward to sharing our news with you throughout the year.

Sincerely,

### Sign up for our Electronic Newsletter

If you would like to receive future issues of our newsletter in electronic format, please email [lnunn@premierbanknc.com](mailto:lnunn@premierbanknc.com).

Premier Commercial Bank is pleased to introduce you to **Home Mortgage Solutions**. Our new mortgage division will give you the same professional, and personal service that we bring to business and personal banking.

Whether you want to refinance your home or buy a new one, now may be the perfect time.

Call us today at  
**877-605-2474**

and discover a new standard in mortgage lending.



**Home Mortgage Solutions**  
A division of Premier Commercial Bank

Offices in Greensboro  
Winston-Salem and Charlotte  
[www.ahmsc.com](http://www.ahmsc.com)



## NEW SERVICE

Introducing



The fastest way to send or receive money any time, from anywhere. As part of our Online Bill Pay service, sending money has never been more secure or convenient. All you need is the person's e-mail address or mobile phone number. The money goes directly from your checking account into the recipient's account usually within one business day regardless of where they bank. Look for the "Pay People" tab in Online Bill Pay.



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## New Service

**Mobile Banking** makes it easy for mobile phone users to navigate their way through a variety of banking tasks on their handheld device. Check account balances, transfer funds and receive alerts with Mobile Banking. Log on to [www.premierbanknc.com](http://www.premierbanknc.com), Personal Banking and complete the online banking log in. Then choose the Options tab and scroll down to the Mobile Banking section to enroll.



## Coming Soon



**Consumer Capture** will allow consumers and small businesses to securely and inexpensively deposit checks from their home or office simply by scanning checks on a flatbed scanner and submitting the image to the bank for credit to their account.

## Client Survey Results

When we set out to create Premier Commercial Bank, we wanted to differentiate ourselves with our client-centered focus. That made it vital for us to know what is important to our clients and how well we are doing in those areas. In October we delivered over 300 client surveys. The results have been received and we appreciate each of you who candidly completed the survey. We are extremely pleased with the response rate to the survey, and we will use the information clients provided to improve our operations so that we can continue to enhance the overall client experience. The final question of the survey asked the respondent if they would refer Premier to their friends and associates. The overwhelming response was yes. We are proud of the progress we have made in the area of client service delivery and we will continue to strive toward excellence. We continue to analyze the results and we will share those results in our next newsletter.

## Lunch and Learn Sessions

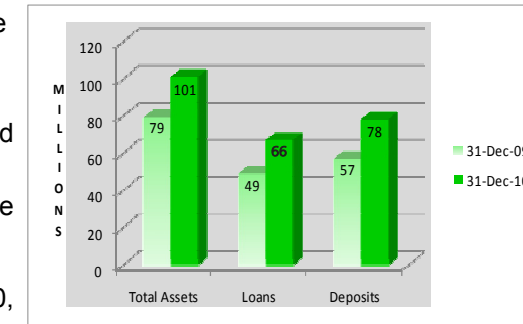
Premier Commercial Bank hosted its first business lunch and learn session in December. Caroline Farmer, with the Victims and Citizens Services Department of NC Attorney General Roy Cooper's office, spoke to a group of clients and shareholders on identity theft threats and measures to take to protect one's identity. Ms. Farmer recommended that all businesses designate a computer for banking services only, such as remote deposit or ACH origination. She informed the group on the proper encryption for office PCs and a reminder to maintain current virus protection software. Attendees left the session better informed and aware of new fraud schemes that affect small businesses.

The Bank will host quarterly lunch and learn sessions in 2011. Our goal is to provide relevant, up-to-date information on a variety of topics. If there is a particular topic of interest to you or your business, please let us know.

## Financial Highlights

*William E. Swing, Jr.*  
*Executive Vice President*  
*Chief Financial Officer*

2010 was a year of steady and consistent growth in the Bank's balance sheet, as well as improvement in operating results. Through December 31, assets increased \$22 million, from \$79 million at December 31, 2009, to \$101 million due primarily to loan growth of \$17 million. Deposits increased \$21 million due to growth in core deposits, which increased \$17 million and accounted for 62% of total deposits, compared with 55% at the beginning of the year.



For the year ending December 31, 2010, we reported a net loss (unaudited) of approximately \$1.1 million, compared to a net loss of \$2.3 million in the same period last year. Net interest income increased 77%, while noninterest expense grew 8%. The provision for loan losses decreased 50%. The improvement in net interest income is due to growth in the balance sheet as well as improved net interest margins.

The Bank is well positioned to continue this balance sheet growth into 2011. Capital levels remain high. The Bank has no non-performing assets, and the quality of overall earnings, as measured by income before security gains and the provision for loan loss, continue to improve.



## Meet our Bankers

*Rocky Herring*  
*Executive Vice President*  
*Chief Credit Officer*

Rocky Herring joined Premier Commercial bank as Chief Credit Officer in August 2010. Rocky brings more than 16 years experience in banking and finance, including credit administration and analysis, risk management and regulatory compliance. His primary role at Premier is to oversee risk management for all areas of the Bank.

Rocky began his banking career in 1994 with Central Carolina Bank. Since then, he has worked at southeastern US regional and North Carolina community banks. Rocky received his Bachelor of Arts degree from Duke University and currently serves on the board of Burlington Christian Academy. He lives in Gibsonville, NC, with his wife Jennifer and their three children.

"I am pleased to be a part of Premier Commercial Bank, and I find it a privilege to work with such a fine group of people. Managing risk in a bank is a big responsibility, and our environment is indeed challenging. Yet, at a time so dynamic for our industry, I believe Premier has the capacity to seize many opportunities within this ever-changing business of banking. As part of the management team at Premier, I join individuals who, together, can provide Premier with the sound growth expected by our shareholders. I am honored to have your trust and will preserve that trust as we move Premier forward. With diligence, determination, and discipline, we can succeed as a company and exceed the expectations of all our shareholders."

## Our Branch Locations

701 Green Valley Road  
Suite 102

Greensboro, NC 27408

336-398-2321

Member FDIC

Loan Production Office

1380 Eastchester Drive

Suite 103

High Point, NC 27265

336-887-2322

## Home Mortgage Solutions

5500 Adams Farm Lane

Suite 106

Greensboro, NC 27407

2150 Country Club Road

Suite 228

Winston Salem, NC 27104

6101 Carnegie Boulevard

Suite 360

Charlotte, NC 28209

877-605-2474



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