
First Bancorp
Acquisition of
ASB Bancorp, Inc.

May 1st, 2017

Forward-Looking Statements

Forward Looking Statements

This presentation contains certain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving First Bancorp's and ASB Bancorp's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the combination of First Bancorp and ASB Bancorp, including future financial and operating results, expected cost savings, expected impact on future earnings, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and you are cautioned not to place undue reliance on any forward-looking statements. We assume no duty to update forward-looking statements.

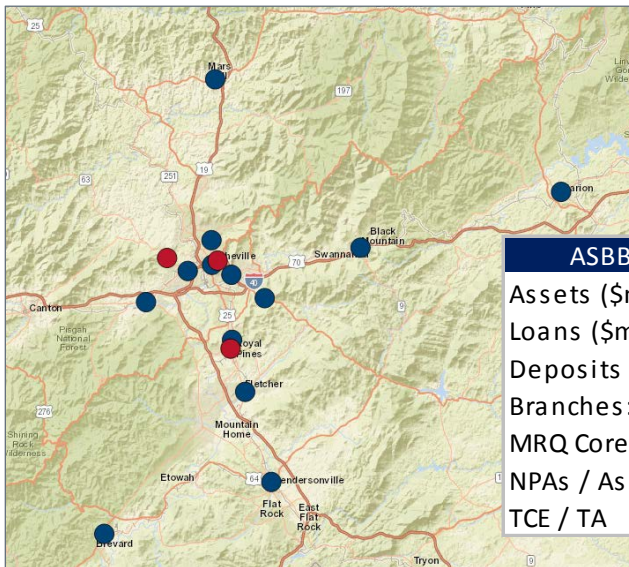
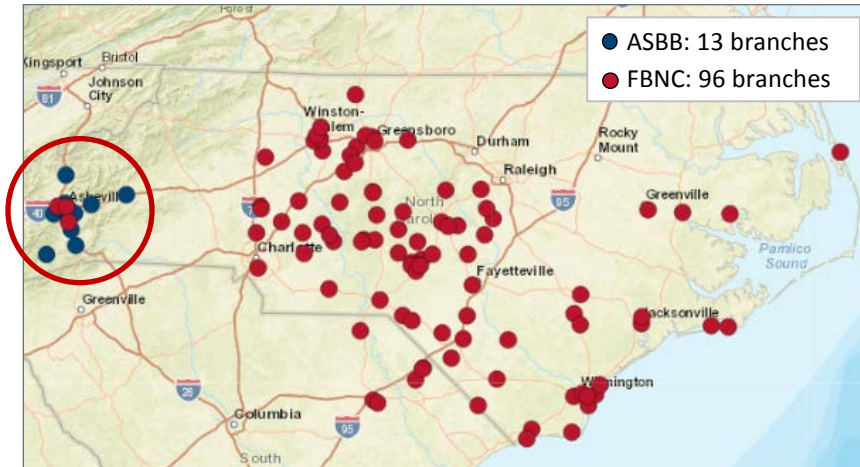
In addition to factors previously disclosed in First Bancorp's and ASB Bancorp's reports filed with the SEC, the following factors among others, could cause actual results to differ materially from forward-looking statements: ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by ASB Bancorp's shareholders, on the expected terms and schedule; delay in closing the merger; difficulties and delays in integrating the First Bancorp and ASB Bancorp businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; the reaction to the transaction of the companies' customers, employees and counterparties; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Board of Governors of the Federal Reserve and legislative and regulatory actions and reforms.

Non-GAAP Measures

Statements included in this presentation include non-GAAP measures and should be read along with First Bancorp's News Release of April 27, 2017 reporting our operating results as of and for the quarter ended March 31, 2017, which provides a reconciliation of non-GAAP measures to GAAP measures. Management believes that these non-GAAP measures provide additional useful information that allows readers to evaluate the ongoing performance of the company. Non-GAAP measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider the company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the company. Non-GAAP measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the company's results or financial condition as reported under GAAP.

Opportunity Overview & Rationale

Branch Map



ASBB Highlights

Assets (\$mm):	\$803.5
Loans (\$mm):	\$605.8
Deposits (\$mm):	\$682.1
Branches:	13
MRQ Core ROA	0.93%
NPAs / Assets	0.72%
TCE / TA	11.67%

Strategic Rationale

- » Create the premier independent North Carolina community bank with over \$5bn in assets
 - Top 3 position in attractive Asheville market
 - Community focus and relationships
 - Combined entity is well-positioned to significantly benefit from market disruption (SSB / PSTB; TOWN / PAG; PNFP / BNCN; FNB / YDKN; CBF / COB)
- » Financially compelling
 - Mid-single digit EPS accretion
 - Limited TBV dilution with earnback of ~2.5 years
 - Improves ROA profile
- » Low risk
 - Overlapping market presence
 - Long management history in Asheville
 - Internal and external detailed credit review
 - ASBB CEO remains with combined company
- » Strong cultural fit

Source: SNL Financial, Company reports.

NC Community Bank⁽¹⁾ State Market Share

- » First Bancorp is the largest independent North Carolina community bank, with over \$5bn in assets pro forma for the acquisition of ASB Bancorp
 - Significant opportunities to attract talented bankers
 - Excellent customer service proposition and competitive product offerings
 - Presence in North Carolina’s most attractive markets

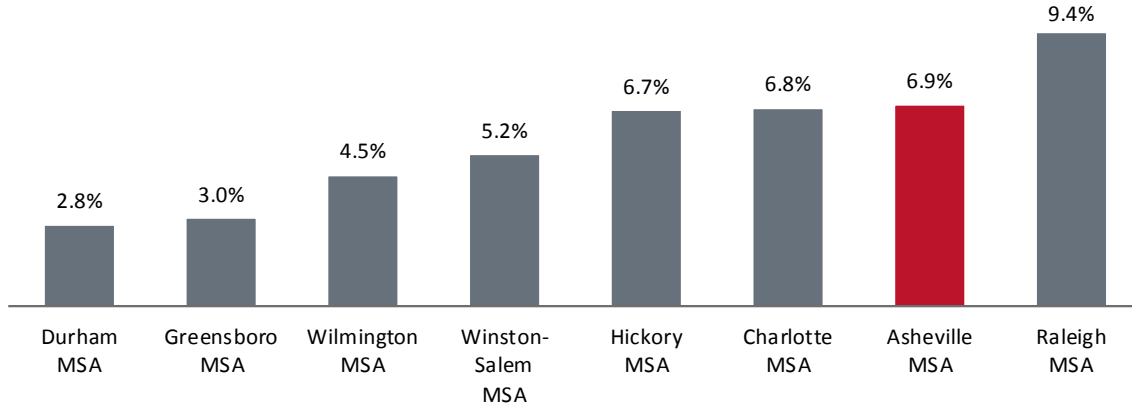
NC Community Banking Rank	Institution	Number of NC Branches	2016 NC Total Deposits (\$mm)	2016 NC Market Share (%)	MRQ Total Assets (\$mm)
1	Pro Forma	102	\$3,951	1.14%	\$5,245
	First Bancorp	89	3,307	0.95	4,442
2	Southern BancShares	51	1,634	0.47	2,513
3	Fidelity BancShares	55	1,515	0.44	1,419
4	HomeTrust Bancshares	18	1,214	0.35	3,165
5	Peoples Bancorp of NC	20	846	0.24	1,110
6	First South Bancorp	28	826	0.24	1,039
7	Entegra Financial	13	778	0.22	1,385
8	North State Bancorp	7	711	0.20	753
9	Select Bancorp	13	662	0.19	847
	ASB Bancorp	13	644	0.19	803
10	Four Oaks Fincorp	13	554	0.16	737

Source: SNL Financial. Deposit market share data as of June, 2016.

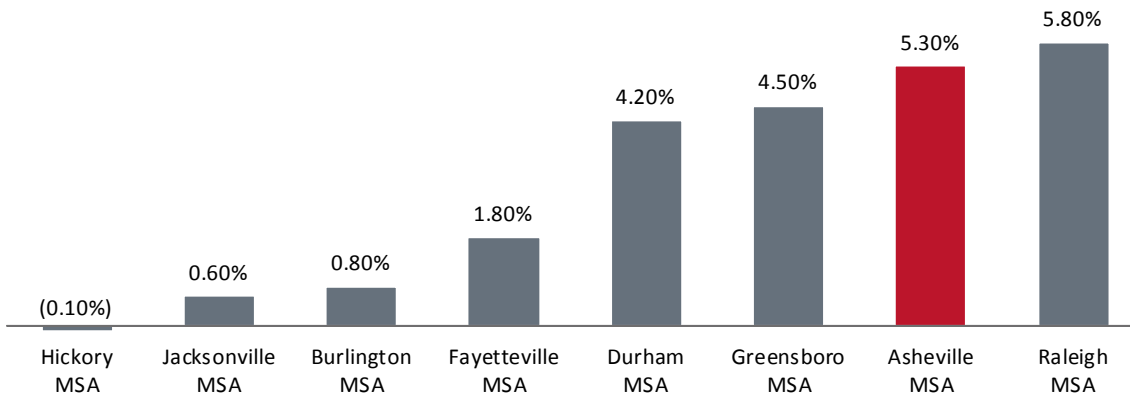
(1) Defined as NC-headquartered banks with less than \$10 bn total assets, pro forma for pending acquisitions. Excludes mutual / co-ops.

Asheville Market Demographic Overview

2014 – 2015 GDP Growth (%)



2014 – 2016 Job Growth (%)



Asheville MSA: Top 15 Banks by Market Share

Rank	Company	Deposits (\$mm)	Market Share (%)
1	Wells Fargo	\$1,750	23.8%
2	First Citizens	1,344	18.3
	Pro Forma	649	8.8
3	Bank of America	602	8.2
4	HomeTrust	575	7.8
5	ASB Bancorp	565	7.7
6	SunTrust	543	7.4
7	BB&T	490	6.7
8	TD Bank	474	6.5
9	Entegra	200	2.7
10	PNC	198	2.7
11	United Community Banks	152	2.1
12	Capital Bank	131	1.8
13	Carolina Alliance	111	1.5
14	First Bancorp	84	1.2
15	Pinnacle	58	0.8

Source: SNL Financial, United States Bureau of Economic Analysis, United States Bureau of Labor Statistics.

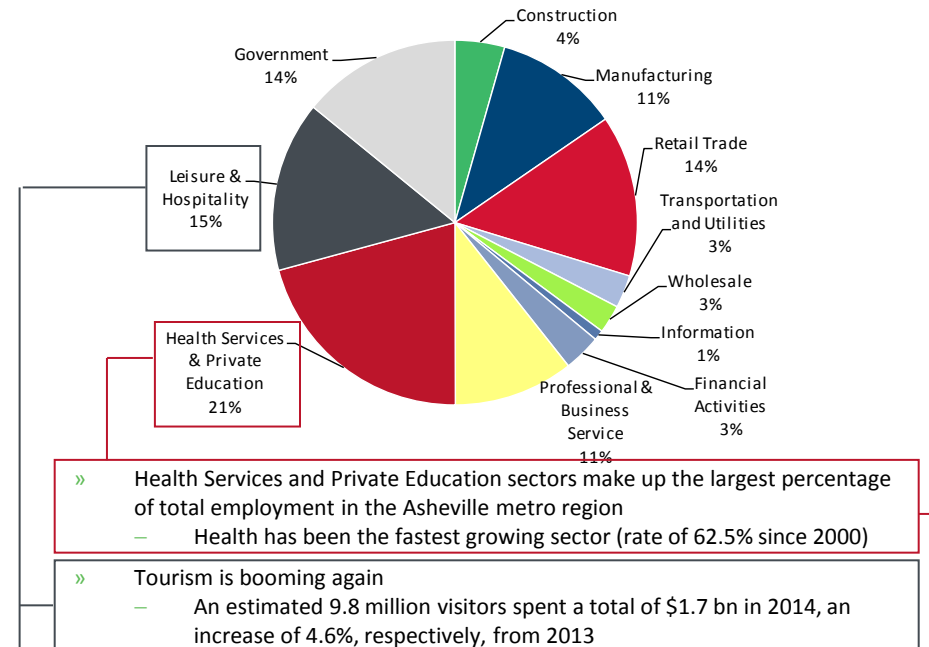
Note: Market share data as of June, 2016.

Asheville MSA – Economic Snapshot

Overview of Asheville MSA

- » Small businesses drive the local economy:
 - 96% of businesses in the Asheville MSA have fewer than 50 employees
- » Six Asheville companies were named to Inc. 5000's list of the fastest growing companies in the United States in 2014 and have remained on it since
- » *Southern Business & Development* ranked Asheville one of the best mid-markets in the South for companies to relocate to in 2016

Diverse Presence of Industries & Companies



Top Universities and Corporate Leaders



Source: SNL Financial, Asheville Chamber of Commerce, Buncombe County Tourism Development Authority 2015 Annual Report, United States Bureau of Labor Statistics.

Transaction Terms

Buyer	First Bancorp (Nasdaq: FBNC)
Seller	ASB Bancorp, Inc. (Nasdaq: ASBB)
Stock Consideration	1.44 shares of FBNC stock for each share of ASBB stock, for 90% of ASBB shares ⁽¹⁾
Cash Consideration	\$41.90 per share for 10% of ASBB shares ⁽¹⁾
Indicative Price Per Share	\$43.12 ⁽²⁾
Aggregate Transaction Value	\$175 million (inclusive of value of options to be cashed out) ⁽³⁾
Pro Forma Ownership	FBNC: 83% / ASBB: 17% ⁽²⁾
Board Representation	2 ASBB Board members will join the Board of FBNC
Required Approvals	ASBB shareholder vote and customary regulatory approvals
Expected Closing	4 th Quarter 2017

(1) Subject to a maximum issuance of no more than 19.9% of FBNC's outstanding common shares.

(2) Based on FBNC stock price of \$30.04 as of April 28, 2017 and a cash payment of \$41.90 per share.

(3) Based on FBNC common shares outstanding of 24,663,241, ASBB common shares outstanding of 3,788,025 and stock options of 443,900 with a weighted average exercise price of \$16.04 and a fixed exchange ratio of 1.44x.

Transaction Multiples

Price / TBV	174% ⁽¹⁾
Price / MRQ Annualized EPS	21.6x ⁽²⁾
Market Premium	23% ⁽³⁾

(1) Based on ASBB's tangible book value per share of \$24.75 as of 3/31/17

(2) For the quarter ended 3/31/17

(3) Based on ASBB's closing price of \$35.04 on April 28, 2017 and indicative price per share of \$43.12.

Transaction Assumptions and Financial Impact

Assumptions

- » Loan credit mark of \$7.1 million, or 1.2% of gross loans
 - Based on comprehensive credit review performed by FBNC management and third party loan review firm
- » Cost savings of ~40% of ASBB noninterest expense
 - 75% realized in 2018 and 100% thereafter
- » Merger related charges of \$16 million pre-tax
- » Projected close Q4 '17

Financial Impact

- » Pro forma company over \$5 billion in assets
- » Mid-single digit GAAP EPS accretion
- » Tangible book value dilution of approximately 1%
- » Tangible book value earnback period of approximately 2.5 years
- » IRR of approximately 19%

Pro Forma Capital Ratios at Close

- | | |
|--------------------------|-------|
| » TCE / TA: | 8.3% |
| » Tier 1 Leverage Ratio: | 9.8% |
| » CET1 Ratio: | 11.1% |
| » Total Capital Ratio: | 13.0% |

Benefits to the Combined Stakeholders

SHAREHOLDERS

- » Strategically and financially attractive transaction
 - » Successful Board and management team with strong community ties
 - » Improved liquidity and dividend for ASBB shareholders
 - » Opportunity for increased shareholder value for both companies
-

CUSTOMERS

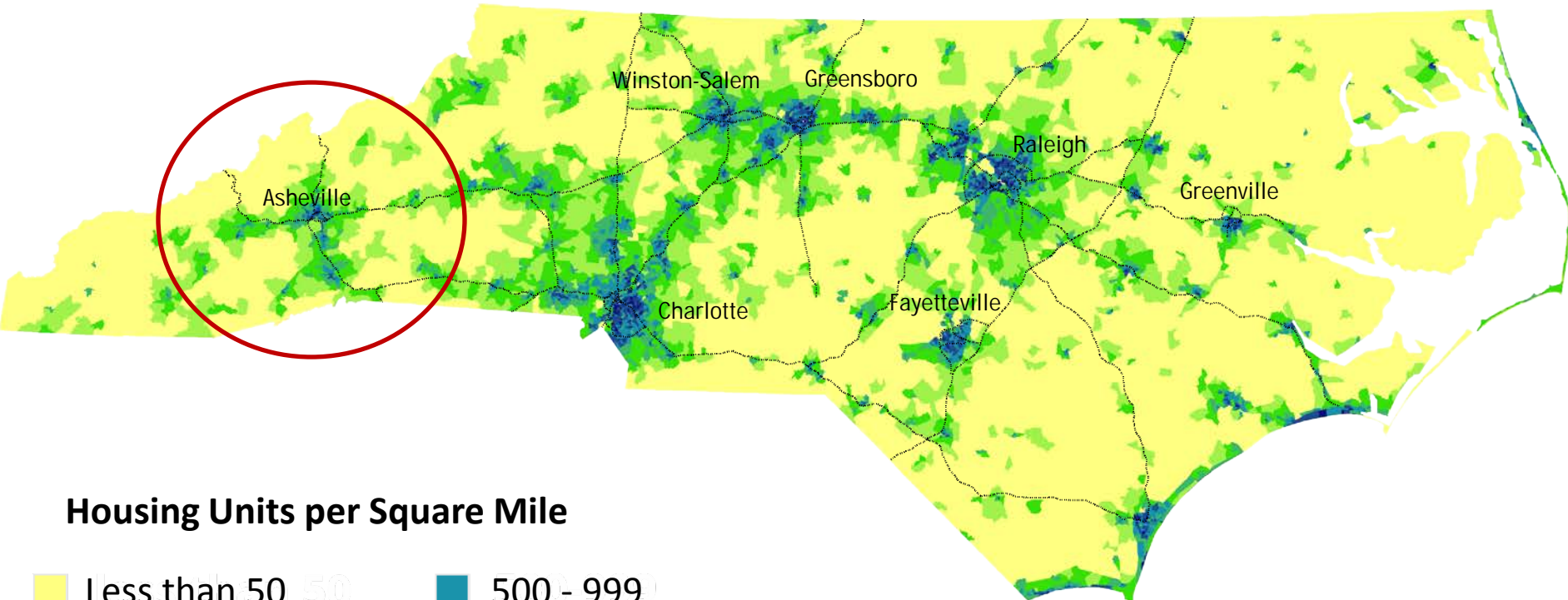
- » Community banking model with a focus on serving clients
 - » Increased branch presence in appealing North Carolina markets
 - » Ability to provide enhanced products and services
 - » Community bank market leader in North Carolina
-

EMPLOYEES

- » Similar cultures and markets allows for a simplified employee transition period
 - » Larger organization creates opportunities for career advancement
 - » Long-term dedicated management teams
 - » Larger size increases public identity and recruiting capability
-

APPENDIX

North Carolina's Most Populous Markets



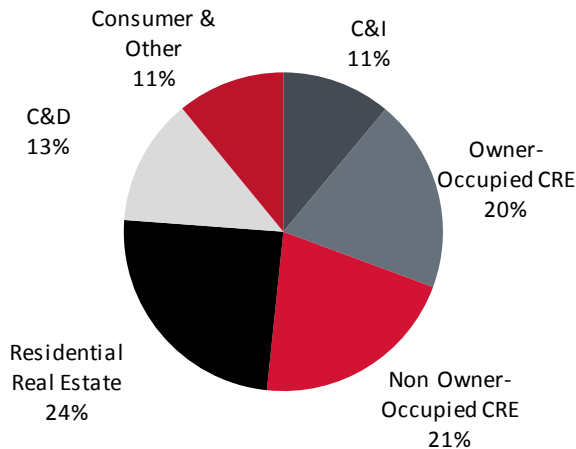
Housing Units per Square Mile



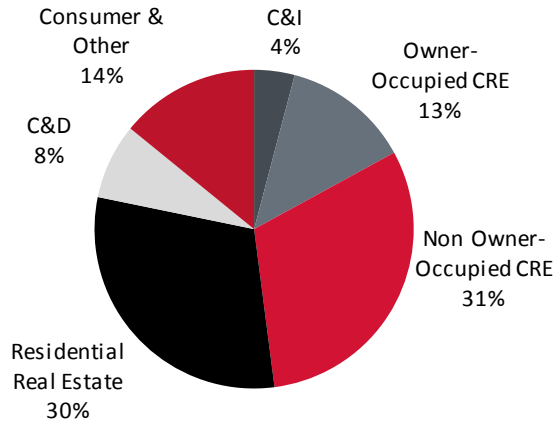
Source: Carolina Demography

Pro Forma Loan Portfolio – Comparable Profile

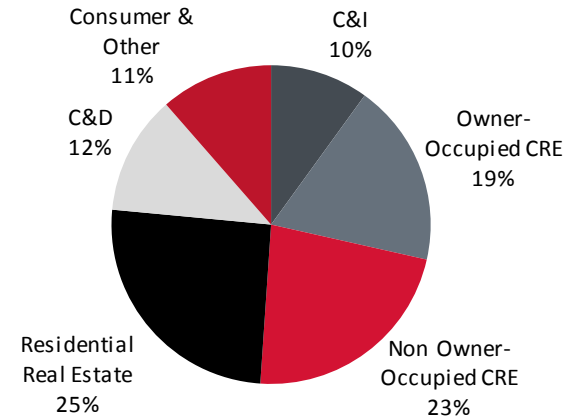
FBNC



ASBB



Pro Forma



Loan Portfolio	Amount	% of Total
C&I	\$363,700	11.1 %
Owner-Occupied CRE	644,600	19.6
Non Owner-Occupied CRE	691,196	21.0
Residential Real Estate	806,660	24.5
C&D	424,539	12.9
Consumer & Other	359,364	10.9
Gross Loans & Leases	\$3,290,059	100.0 %

Loan Portfolio	Amount	% of Total
C&I	\$24,832	4.1 %
Owner-Occupied CRE	78,375	12.9
Non Owner-Occupied CRE	187,404	30.9
Residential Real Estate	183,470	30.3
C&D	46,359	7.7
Consumer & Other	85,558	14.1
Gross Loans & Leases	\$605,998	100.0 %

Loan Portfolio	Amount	% of Total
C&I	\$388,532	10.0 %
Owner-Occupied CRE	722,975	18.6
Non Owner-Occupied CRE	878,600	22.6
Residential Real Estate	990,130	25.4
C&D	470,898	12.1
Consumer & Other	444,922	11.4
Gross Loans & Leases	\$3,896,057	100.0 %

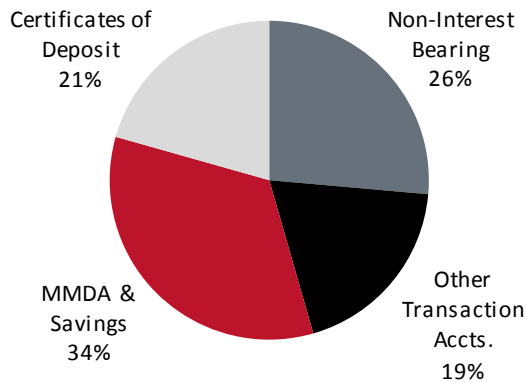
Yield on Total Loans 4.7 %

Yield on Total Loans 4.2 %

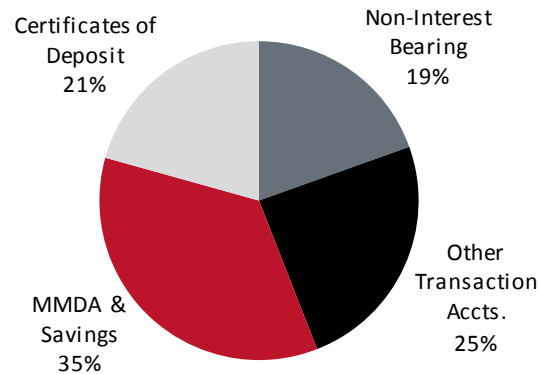
Source: Call Reports and internal reports, as of March 31, 2017
Dollars in thousands
Data as of or for the three months ended March 31, 2017
Excludes purchase accounting adjustments

Pro Forma Deposit Portfolio – Comparable Profile

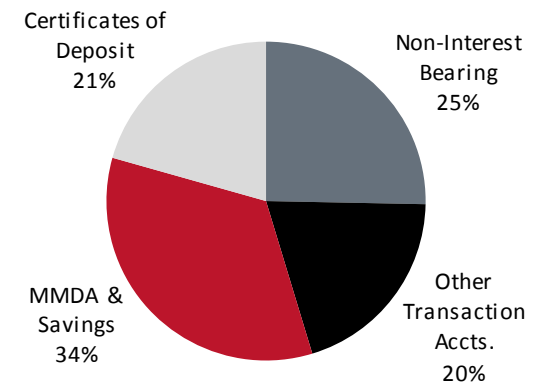
FBNC



ASBB



Pro Forma



Deposit Portfolio	Amount	% of Total
Non-Interest Bearing	\$958,175	26.4 %
Other Transaction Accts.	694,898	19.1
MMDA & Savings	1,228,027	33.8
Certificates of Deposit	748,070	20.6
Total Deposits	\$3,629,170	100.0 %

Deposit Portfolio	Amount	% of Total
Non-Interest Bearing	\$133,201	19.5 %
Other Transaction Accts.	167,362	24.5
MMDA & Savings	240,546	35.3
Certificates of Deposit	140,960	20.7
Total Deposits	\$682,069	100.0 %

Deposit Portfolio	Amount	% of Total
Non-Interest Bearing	\$1,091,376	25.3 %
Other Transaction Accts.	862,260	20.0
MMDA & Savings	1,468,573	34.1
Certificates of Deposit	889,030	20.6
Total Deposits	\$4,311,239	100.0 %

Cost of Deposits 0.18 %

Cost of Deposits 0.24 %

Additional Information About the Proposed Transaction

Additional Information About the Proposed Transaction and Where to Find It

This communication is being made in respect of the proposed transaction involving First Bancorp and ASB Bancorp, Inc. This material is not a solicitation of any vote or approval of ASB Bancorp, Inc.'s shareholders and is not a substitute for the proxy statement/prospectus or any other documents which First Bancorp and ASB Bancorp, Inc. may send in connection with the proposed merger. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities.

In connection with the proposed transaction, First Bancorp intends to file with the SEC a Registration Statement on Form S-4 that will include a proxy statement of ASB Bancorp, Inc. and a prospectus of First Bancorp, as well as other relevant documents concerning the proposed transaction. Investors and security holders are also urged to carefully review and consider each of First Bancorp's and ASB Bancorp, Inc.'s public filings with the SEC, including but not limited to their Annual Reports on Form 10-K, their proxy statements, their Current Reports on Form 8-K and their Quarterly Reports on Form 10-Q. ASB Bancorp, Inc. will mail the joint proxy statement/prospectus to the shareholders of ASB Bancorp, Inc. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS, INVESTORS AND SHAREHOLDERS OF ASB BANCORP, INC. ARE URGED TO CAREFULLY READ THE ENTIRE REGISTRATION STATEMENT AND PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders may obtain a free copy of the proxy statement/prospectus (when available) and other filings containing information about First Bancorp and ASB Bancorp, Inc. at the SEC's website at www.sec.gov. Investors and security holders may also obtain free copies of the documents filed with the SEC by First Bancorp on its website at www.localfirstbank.com and by ASB Bancorp, Inc. at www.ashevillessavingsbank.com.

First Bancorp, ASB Bancorp, Inc. and certain of their respective directors and executive officers, under the SEC's rules, may be deemed to be participants in the solicitation of proxies of ASB Bancorp, Inc.'s shareholders in connection with the proposed transaction. Information about the directors and executive officers of First Bancorp and their ownership of First Bancorp common stock is set forth in the proxy statement for First Bancorp's 2017 Annual Meeting of Shareholders, as filed with the SEC on Schedule 14A on March 27, 2017. Information about the directors and executive officers of ASB Bancorp, Inc. and their ownership of ASB Bancorp, Inc.'s common stock is set forth in the proxy statement for ASB Bancorp, Inc.'s 2017 Annual Meeting of Shareholders, as filed with the SEC on a Schedule 14A on April 5, 2017. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.