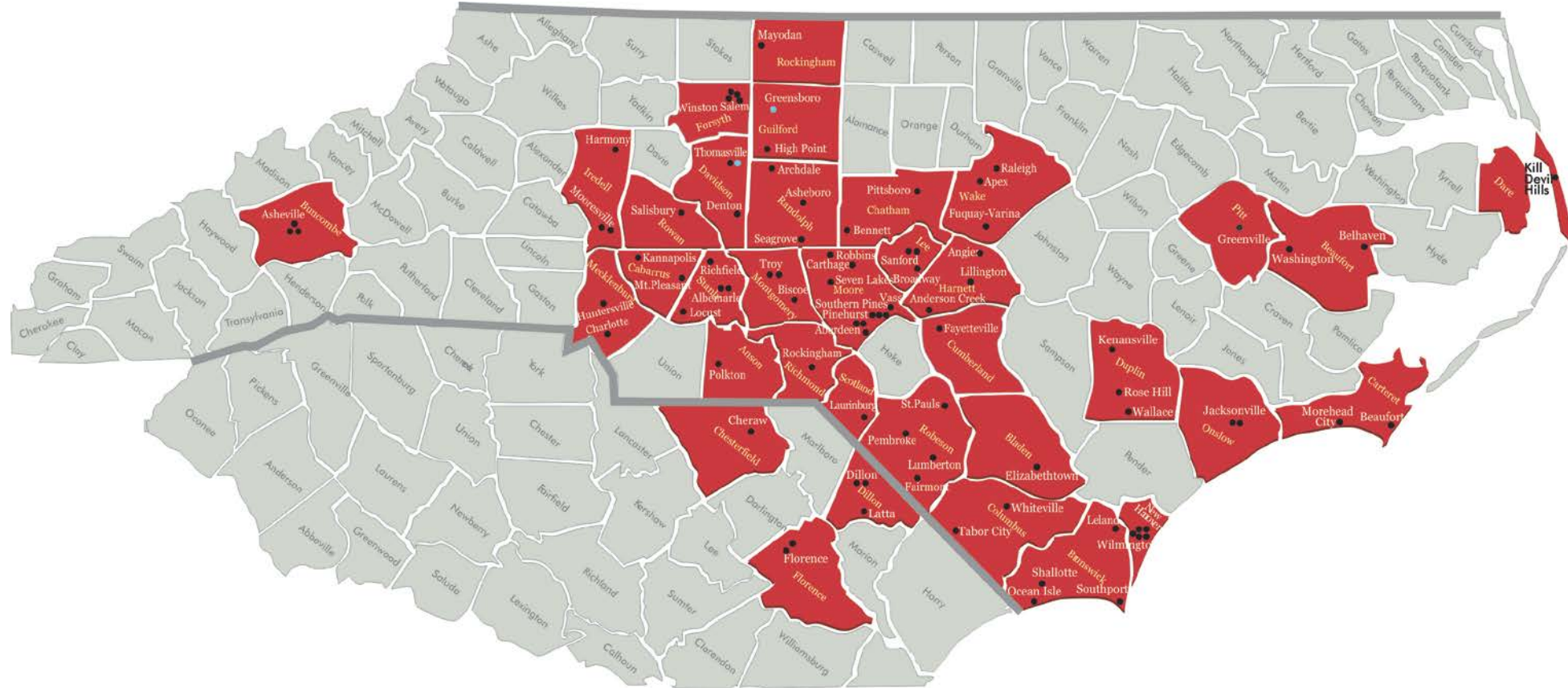


FIRST BANCORP

June 2017



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www.localfirstbank.com

Forward Looking Statements

Information in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, reduced earnings due to larger than expected credit losses in the sectors of our loan portfolio secured by real estate due to economic factors, including declining real estate values, increasing interest rates, increasing unemployment, or changes in payment behavior or other factors; reduced earnings due to larger credit losses because our loans are concentrated by loan type, industry segment, borrower type, or location of the borrower or collateral; the rate of delinquencies and amount of loans charged-off; the adequacy of the level of our allowance for loan losses and the amount of loan loss provisions required in future periods; costs or difficulties related to the integration of the companies we acquired or may acquire may be greater than expected; factors related to our proposed acquisition of ASB Bancorp, Inc. ("ASBB"), including our ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by ASBB's shareholders, on the expected terms and schedule; delay in closing the proposed acquisition of ASBB; difficulties and delays in integrating the businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction; the reaction to the transaction of the companies' customers, employees and counterparties; results of examinations by our regulatory authorities, including the possibility that the regulatory authorities may, among other things, require us to increase our allowance for loan losses or write down assets; the amount of our loan portfolio collateralized by real estate, and weakness in the commercial real estate market; our ability to maintain appropriate levels of capital; adverse changes in asset quality and resulting credit risk-related losses and expenses; increased funding costs due to market illiquidity, increased competition for funding, and increased regulatory requirements with regard to funding; significant increases in competitive pressure in the banking and financial services industries; changes in political conditions or the legislative or regulatory environment, including the effect of financial reform legislation on the banking industry; general economic conditions, either nationally or regionally and especially in our primary service area, becoming less favorable than expected resulting in, among other things, a deterioration in credit quality; our ability to retain our existing customers, including our deposit relationships; changes occurring in business conditions and inflation; changes in monetary and tax policies; ability of borrowers to repay loans; risks associated with a failure in or breach of our operational or security systems or infrastructure, or those of our third party vendors and other service providers or other third parties, including as a result of cyber-attacks, which could disrupt our businesses, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs and cause losses; changes in accounting principles, policies or guidelines; changes in the assessment of whether a deferred tax valuation allowance is necessary; our reliance on secondary sources such as FHLB advances, sales of securities and loans, federal funds lines of credit from correspondent banks and out-of-marker time deposits, to meet our liquidity needs; loss of consumer confidence and economic disruptions resulting from terrorist activities or other military actions; and changes in the securities markets.

Additional factors that could cause actual results to differ materially are discussed in the Company's filings with the Securities and Exchange Commission ("SEC"), including without limitation its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K. The forward-looking statements in this presentation speak only as of the date of the presentation and the Company does not assume any obligation to update such forward-looking statements.

Non-GAAP Measures

Statements included in this presentation include non-GAAP measures and should be read along with the earnings release and accompanying Financial Summary for the quarter and year ended March 31, 2017 which provide 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.

Bank Holding Company	First Bancorp
Subsidiary Bank	First Bank
Headquarters	Southern Pines, North Carolina
Established	1935 as Bank of Montgomery
Assets	\$4.4 billion
Loans	\$3.3 billion
Deposits	\$3.6 billion
Branches	95 in NC & SC
Employees	1,009 full-time equivalent employees
Ranking	6th largest bank headquartered in NC
Market Capitalization	\$710 million – Ticker FBNC
Insider Ownership	2%
Institutional Ownership	53%
Member of Russell 2000	Yes

*All data as of 3/31/17; Market Capitalization as of 6/2/17

❑ **Richard Moore, CEO, First Bancorp – Director since 2010/CEO since 2012**

- Previously, Managing Director with Relational Investors, Investment advisor some of the largest pension funds in the world
- Former State Treasurer of North Carolina – oversaw more than \$80 billion in pension funds
- Finalist, Institutional Investor, Public Funds Manager of the Year
- Named National Public Official of the Year, Governing Magazine
- Current Director of NYSE; Former Trustee of Wake Forest University
- Honors Graduate of Wake Forest University and its School of Law
- Graduate degree in Accounting and Finance from the London School of Economics

❑ **Michael Mayer, CEO/President, First Bank – Since 2014**

- CEO - First Financial Services Corporation/Mountain 1st Bank, 2009-2014; negotiated sale to First Citizens in January 2014
- CEO for Carolina Commerce Bank, 2008-2009; negotiated sale to Carolina Trust Bank
- Bank of America, 1982-2006
- Graduate of Clemson University, BS in Business

❑ **Eric Credle, CFO – Since 1997**

- Overseen growth at First Bank from \$370 million in assets in 1997 to over \$4 billion in 2017
- Senior Audit Manager with KPMG LLP, 1990-1997
- Certified Public Accountant since 1992
- Graduate of Wake Forest University, BS in Accounting

- Recent Initiatives
 - Increase Noninterest Income
 - Enter high growth areas organically
 - Strategic mergers and acquisitions
- NC Community Bank Landscape
- Our Promise to Service Excellence
- Q1 2017 Results
 - Strong earnings growth, excluding merger expenses
 - Organic loan and deposit growth both at 12-13% annualized
- Investment Thesis
- Trading Multiples vs. Peers



**Bankingport
Insurance**

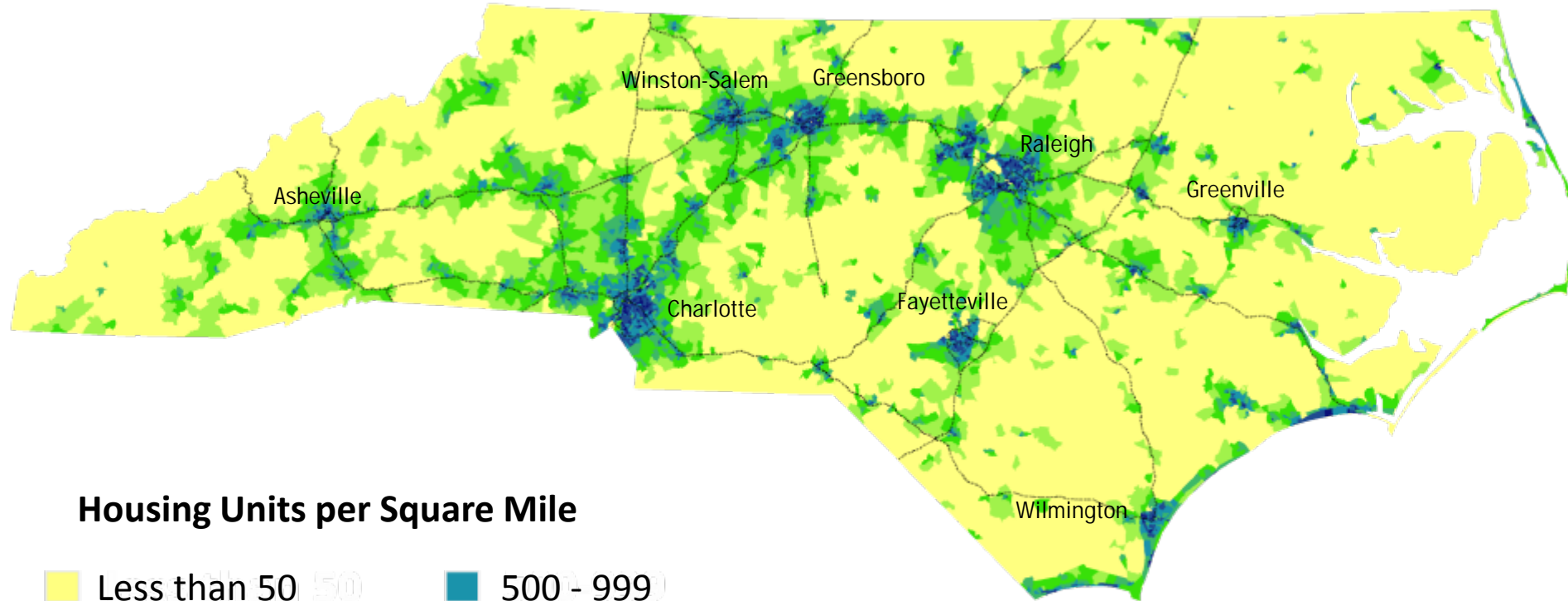
Added incremental revenue of \$5.6 million in 2016

Credit Cards- A Community Bank Differentiator

- First Bank owns its own credit card
- \$20 million in outstanding receivables
 - 50% increase over past 2+ years
- \$3 million in interchange income
 - 7%+ annual growth rate over last four years
- Attractive rewards program
 - Combined debit card/credit card points
- Special emphasis on business customers
- Customer service through Southern Pines, North Carolina

FIRST BANCORP

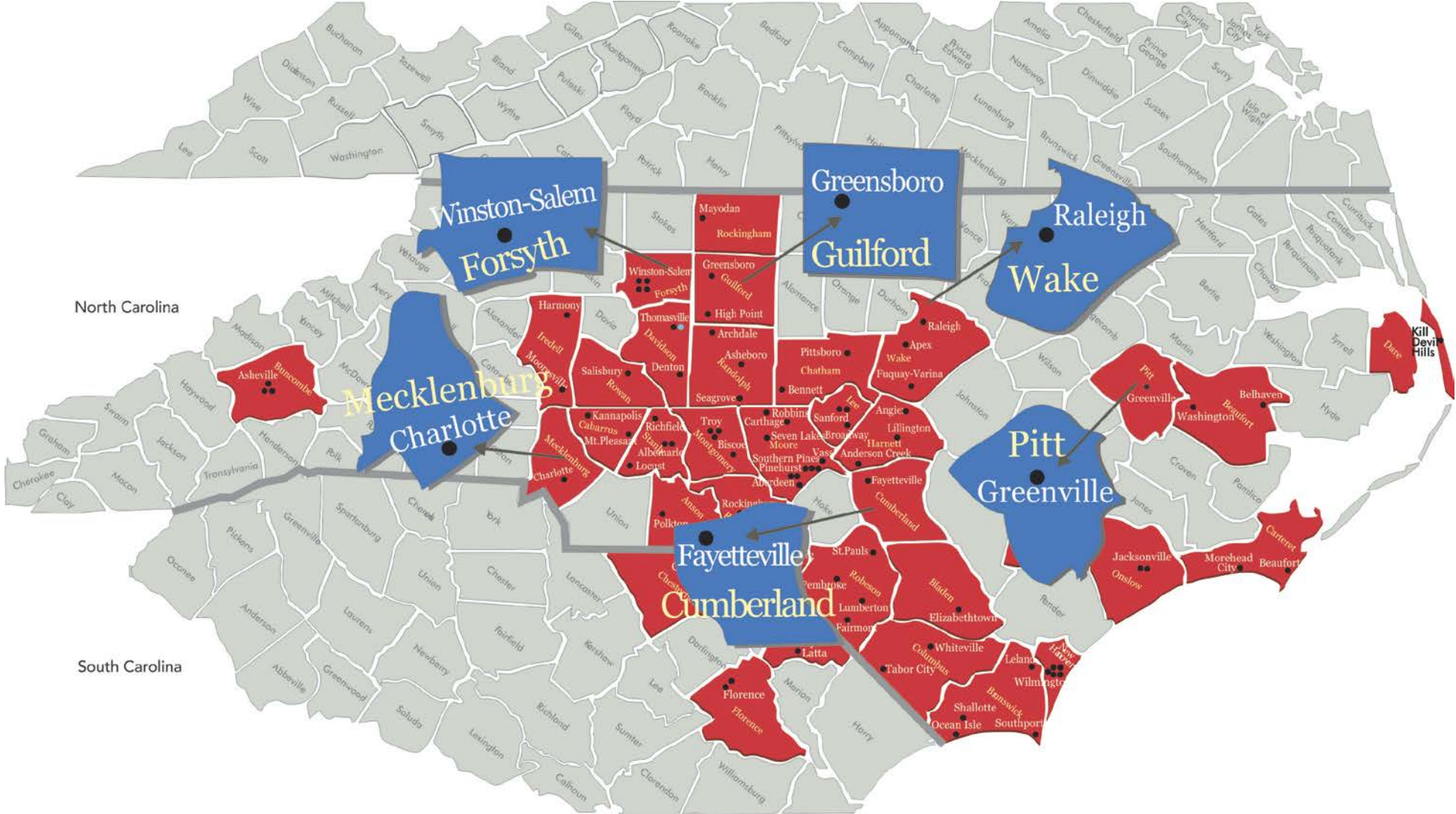




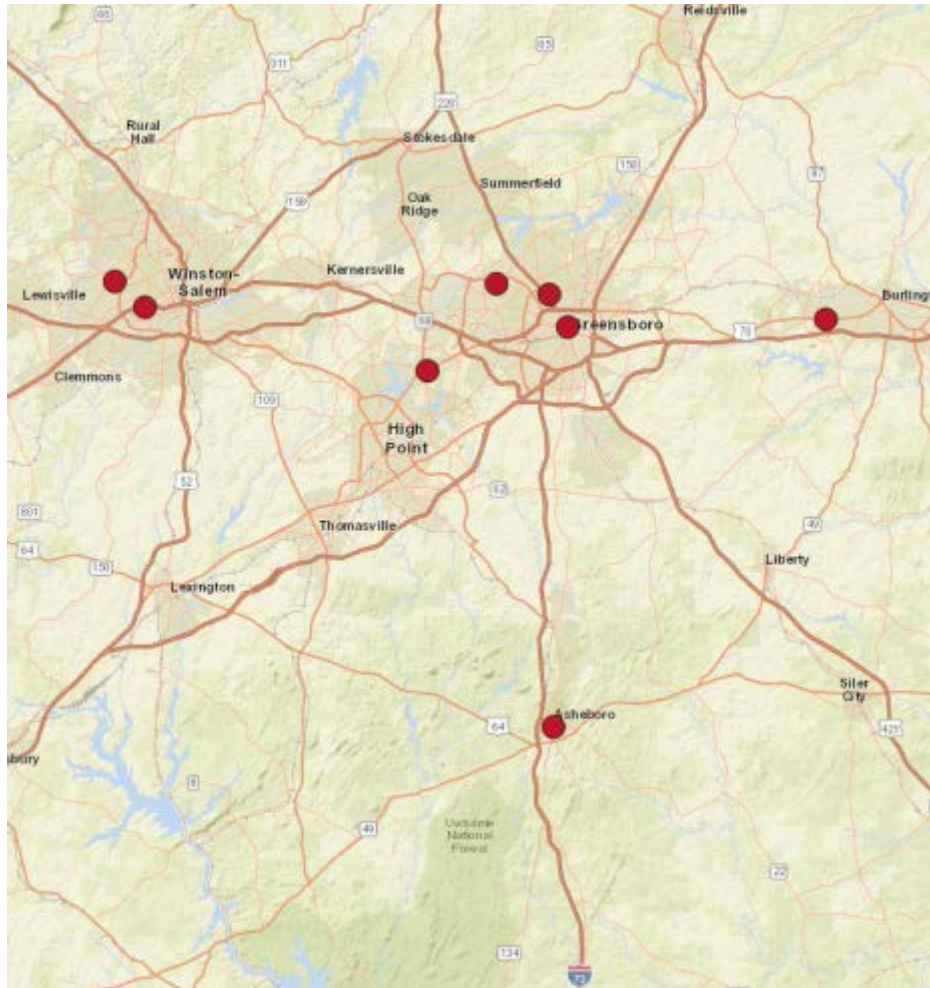
Housing Units per Square Mile



High Growth Markets



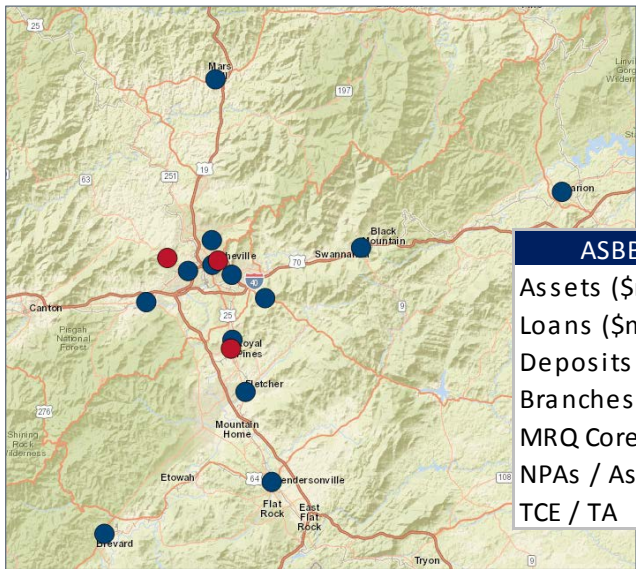
Branch Network



Financial Highlights

Company Overview	
Headquarters	Greensboro, NC
Year Established	1996
Balance Sheet (\$mm)	
Total Assets	\$706
Total Loans	491
Deposits	601
Loans / Deposits	81.7%
% Core Deposits	87.1
MRQ Profitability	
ROAA	0.75%
ROATCE	8.67
Net Interest Margin	3.71
Efficiency Ratio	75.1
Noninterest Inc. / Avg. Assets	1.82
Noninterest Exp. / Avg. Assets	4.03
Asset Quality	
NPAs / Assets	2.86%
NPAs (excl. TDRs) / Assets	1.15
Reserves / Loans	1.22
Capitalization	
Tang. Com. Equity / Assets	8.88%
Leverage Ratio	9.74
CET1 Ratio	12.62
Total Capital Ratio	14.40

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

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

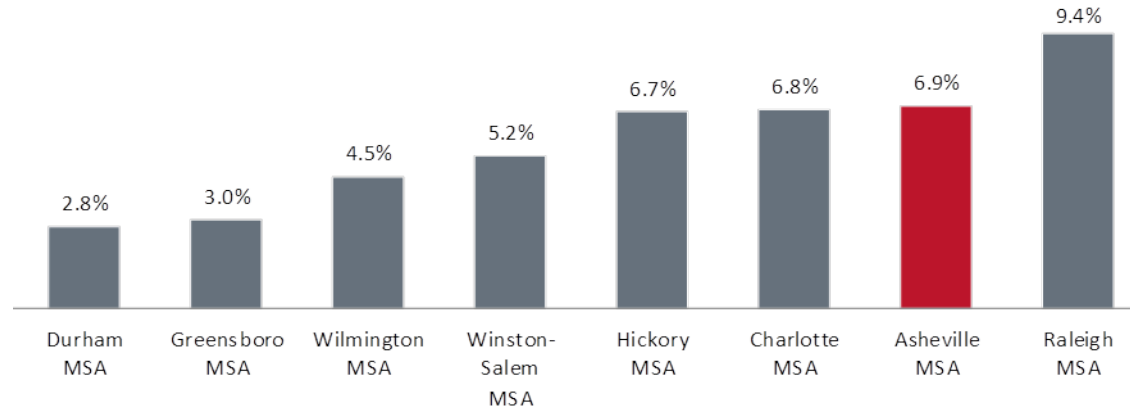
NC Community Banking Rank	Institution	Number of NC Branches	2016 NC Total Deposits (\$mm)	2016 NC Market Share (%)	MRQ Total Assets (\$mm)
1	Pro Forma	102	\$3,951	1.14%	\$5,245
	First Bancorp	89	3,307	0.95	4,442
2	Southern BancShares	51	1,634	0.47	2,513
3	Fidelity BancShares	55	1,515	0.44	1,419
4	HomeTrust 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.

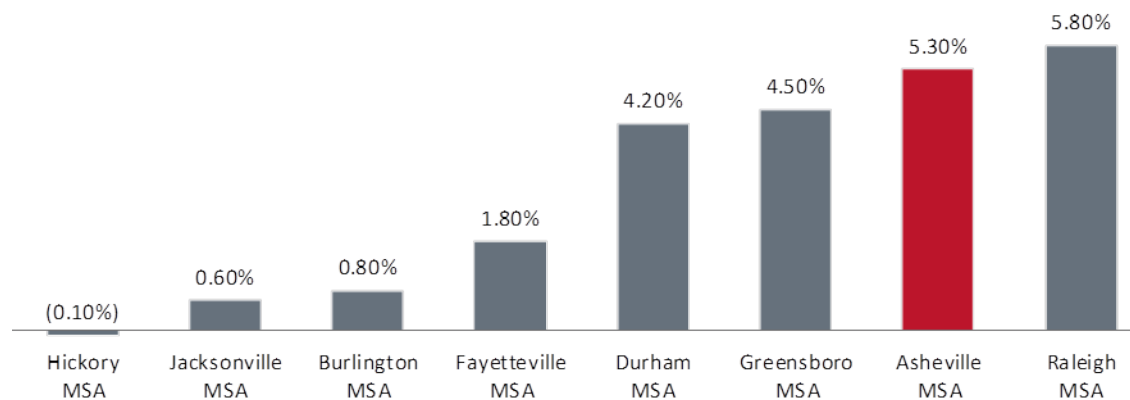
(1) Defined as NC-headquartered banks with less than \$10 bn total assets, pro forma for pending acquisitions. Excludes mutual / co-ops.

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

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.

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 & Financial Impact

FIRST BANCORP

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%

FIRST BANK

Bank Consolidation in North Carolina

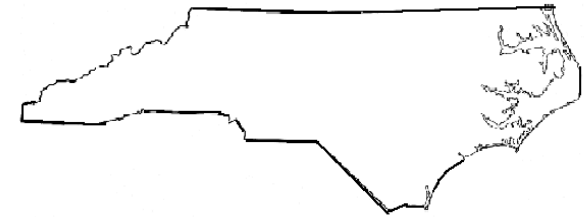
FIRST BANCORP

	Community Banks at 12/31/14 *	Asset Size
1	Yadkin Bank	\$7.5 billion
2	Bank of North Carolina	\$5.7 billion
3	First Bancorp	\$3.5 billion
4	Square 1 Bank	\$3.1 billion
5	Park Sterling Bank	\$3.1 billion
6	Home Trust Bank	\$2.7 billion
7	NewBridge Bank	\$2.6 billion
8	CommunityOne Bank	\$2.4 billion
9	Southern Bank & Trust	\$2.4 billion
10	Fidelity Bank	\$1.8 billion
11	Paragon Commercial Bank	\$1.3 billion
12	Peoples Bank	\$1.1 billion
13	Macon Bank	\$1.1 billion
14	Piedmont Federal Savings Bank	\$0.9 billion
15	First South Bank	\$0.9 billion
16	High Point Bank & Trust	\$0.9 billion

*Banks with total assets less than \$20 billion headquartered in North Carolina

FIRST BANK

- North Carolina is currently the 9th most populated state – projected 7th by 2030
 - Projected to grow 31% over the next 20 years – 5th highest total growth
- Right to work state – 2nd lowest unionized state
 - One of five states in which collective bargaining by public employees is illegal
- North Carolina Pension System – 94% funded and ranked 3rd strongest in the nation
- North Carolina has AAA Bond Rating
- Strong Education system
 - Strong university system with top ranked schools
 - Statewide community college system
 - Higher education system ranked 2nd in the southeast
- Below average utility bill rates
- Tax-friendly state – 3% corporate tax rate
 - Ranked 11th overall and 2nd in the Southeast in business tax climate



Our Promise to Service Excellence

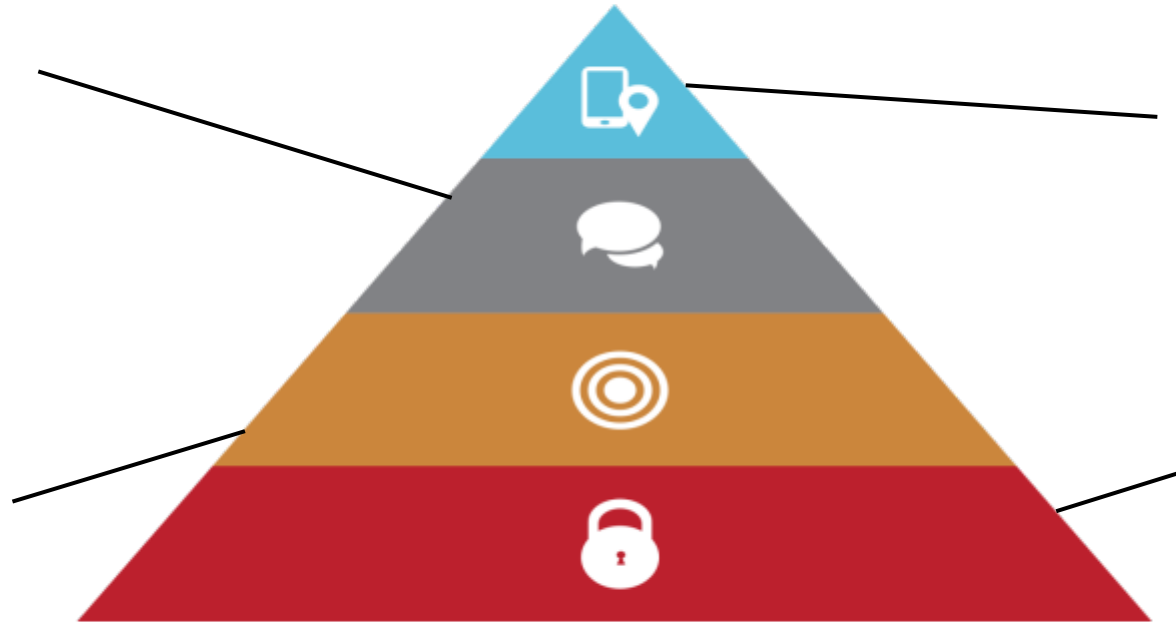
“We help our customers realize their dreams by providing financial solutions and building trusted relationships.”

COURTEOUS SERVICE

We treat customers and fellow associates with respect, effectively communicate, and celebrate our unique contributions.

KNOWLEDGE & ACCURACY

We employ the best associates and ensure all are well trained, establish quality standards, and hold each other accountable.



CONVENIENCE & EASE

Our customers choose when, where and how they do business with us.

SAFETY & SOUNDNESS

We ensure long term financial stability by enhancing trust and confidence and providing a safe environment.

Q1 2017 Highlights

Percentages annualized where applicable	Q1 2017	Q1 2016	Change
Net income	\$7.6 million	\$6.8 million	+11.4%
EPS Common – Diluted*	\$0.34	\$0.33	+3.0%
Return on Average Assets	0.79%	0.82%	-3 bps
Return on Avg. Common Equity	7.18%	7.97%	-79 bps
Total Loans	\$3.3 billion	\$2.5 billion	+29.5%
Total Deposits	\$3.6 billion	\$2.8 billion	+28.4%
Annualized Organic Loan/Deposit Growth	12.0% / 13.1%	3.2% / 2.2%	
Nonperforming Assets to Total Assets	1.35%	2.43%	-108 bps
Net Interest Margin ⁽²⁾	4.07%	4.07%	0 bps
Cost of Funds	0.26%	0.25%	+ 1 bp

* Merger Expenses in Q1 2017 were approximately \$2.4 million, or \$1.6 million after tax; (\$0.07)

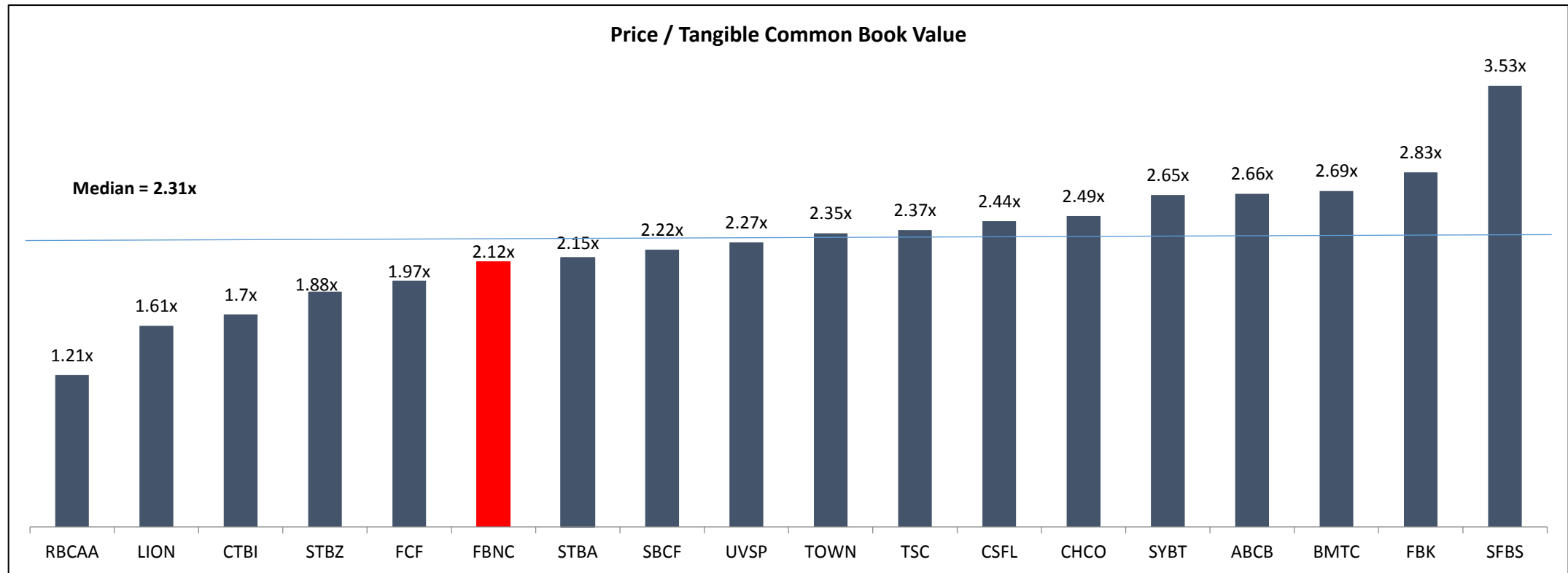
- (1) All information at or for the periods ended March 31, 2017 is preliminary and based on Company information available at time of presentation.
- (2) Tax-equivalent net-interest income divided by average earning assets.
- (3) Excludes foreclosed property gains/losses, indemnification asset expense, other miscellaneous gains/losses.

- Bank that offers many of the product capabilities found in larger regional banks but delivers those services with a local community bank focus
 - Mobile Banking, Wealth Management, Trust Services, Credit Card, Treasury Services, Insurance, and Mortgage Banking
- Centered in one of the fastest-growing regions in the U.S.
- Focused on high growth markets
- Stable, low cost core deposit franchise
 - Built over 80 years of serving our communities
 - Strength of rural markets
 - 2016 cost of funds was 0.25%
- Strong and Improving Performance Metrics
- Conservative Balance Sheet
 - Minimal credit risk in investment portfolio
 - Core funded
 - In market loan portfolio – almost no participations
- Market disruptions provide opportunity

Valuation – Price to Tangible Common Book Value

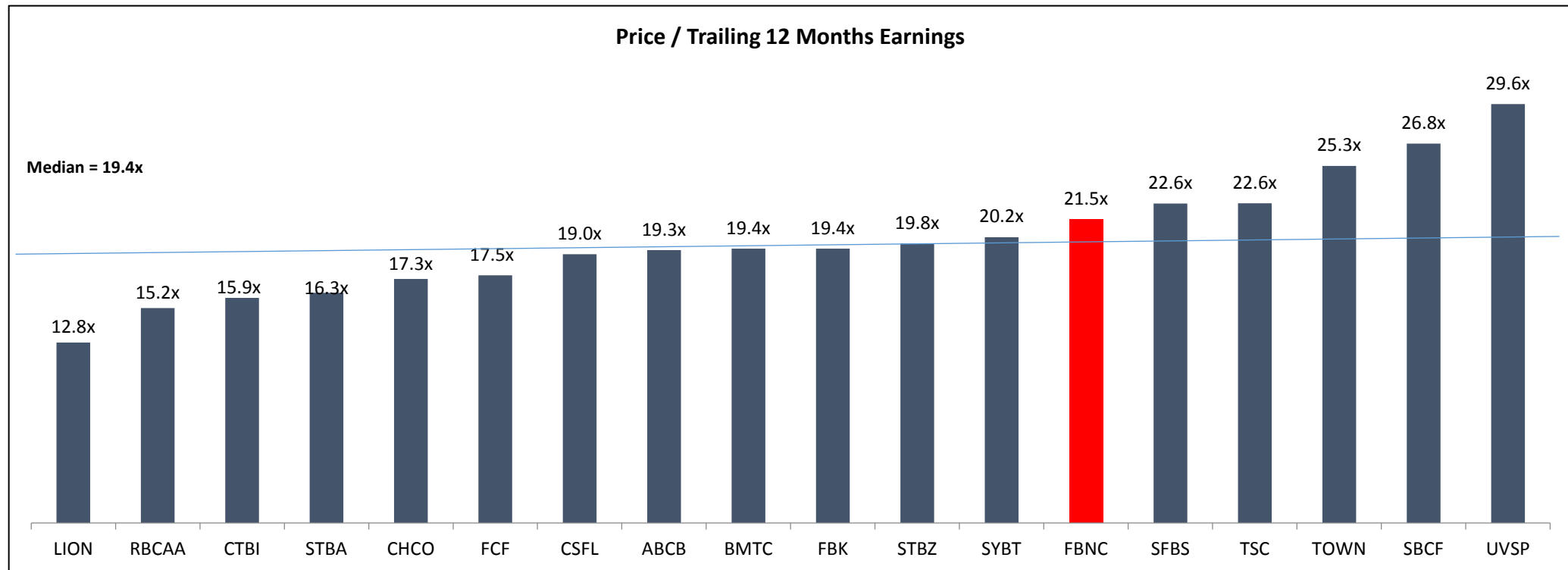
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- Closing stock price on June 2, 2017 = \$28.79
 - Price to tangible book – 2.12x
 - Based on 3/31/17 tangible book value – common - \$13.53

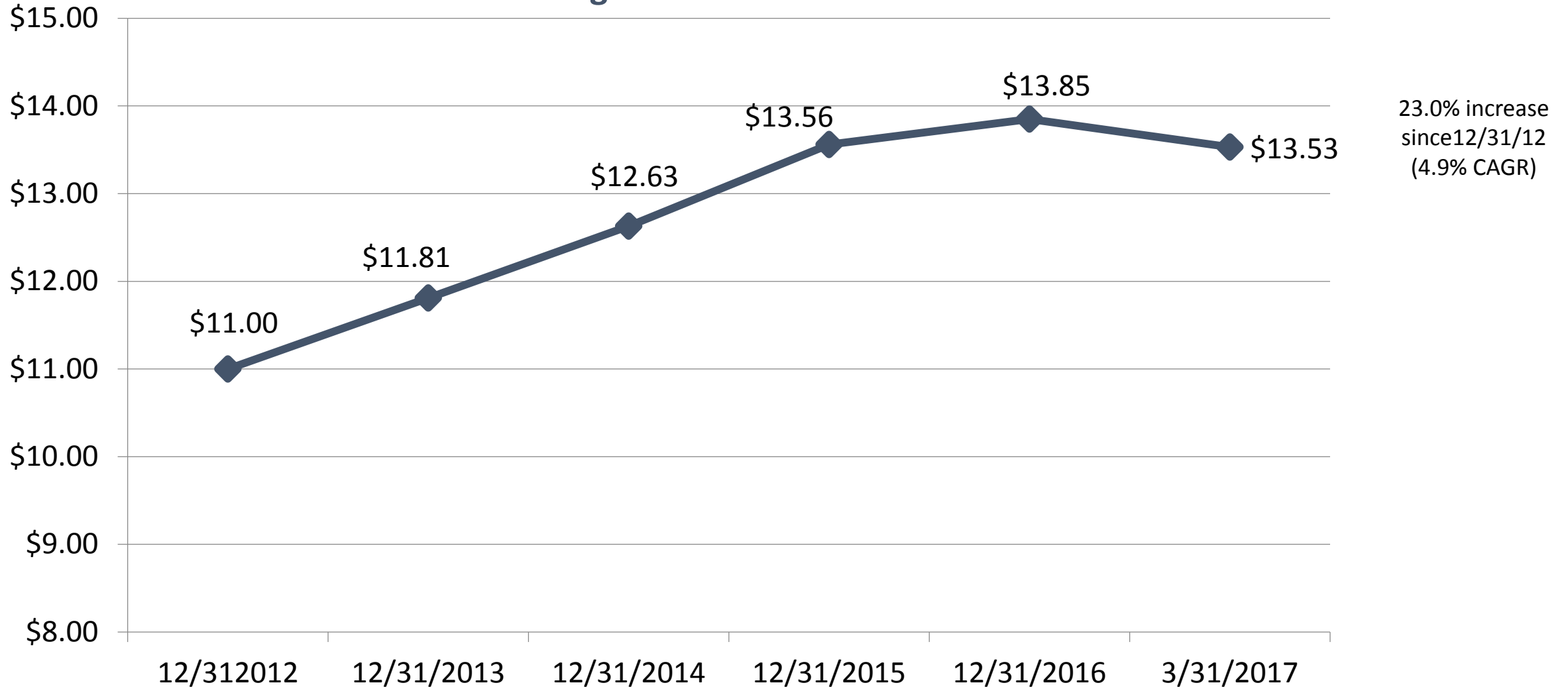


Valuation – Price to Trailing 12 Month Earnings

- Price to trailing twelve month earnings – 21.5x
 - Based on trailing 12 month diluted common earnings per share of \$1.34 and 6/2/17 share price of \$28.79
 - Full Year negatively impacted by Loss Share termination and merger expenses
 - Based on Consensus EPS of \$1.75, the price to earnings ratio is 16.5x



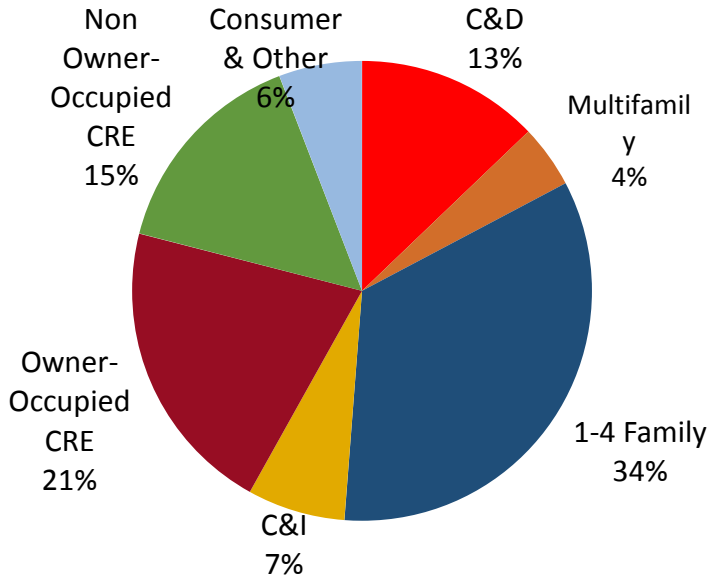
Tangible Book Value Per Share



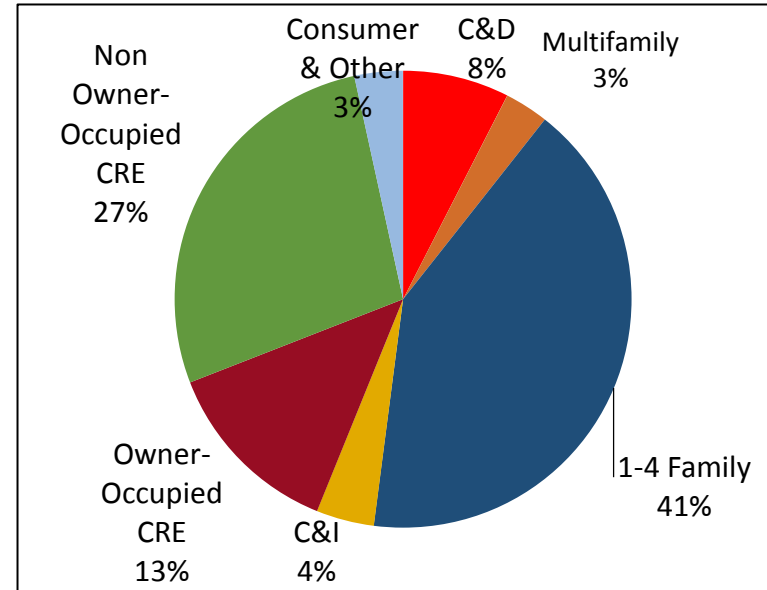
Pro Forma Loan Portfolio

FIRST BANCORP

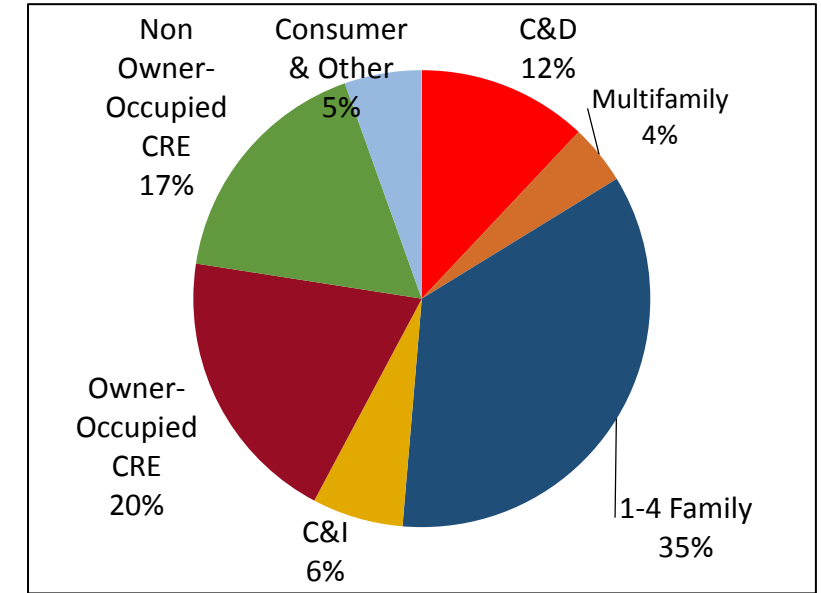
FBNC



ASBB



Pro Forma



Loan Portfolio	Amount	% of Total
C&D	424	12.8%
Multifamily	146	4.4%
1-4 Family	1,121	34.0%
C&I	227	6.9%
Owner-Occupied CRE	690	20.9%
Non Owner-Occupied CRE	500	15.1%
Consumer & Other	193	5.8%
Total Loans	3,301	100.0%

Loan Portfolio	Amount	% of Total
C&D	49	8.0%
Multifamily	19	3.1%
1-4 Family	253	41.2%
C&I	25	4.1%
Owner-Occupied CRE	79	12.9%
Non Owner-Occupied CRE	168	27.4%
Consumer & Other	21	3.4%
Total Loans	614	100.0%

Loan Portfolio	Amount	% of Total
C&D	473	12.1%
Multifamily	165	4.2%
1-4 Family	1,374	35.1%
C&I	252	6.4%
Owner-Occupied CRE	769	19.6%
Non Owner-Occupied CRE	668	17.1%
Consumer & Other	214	5.5%
Total Loans	3,915	100.0%