

**FIRST BANK**

2024

# Fourth Quarter Update



# Important Information

## Caution Regarding Forward-Looking Statements

This presentation contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, including those regarding First Bancorp's expectations or predictions of future financial or business performance or conditions. The forward-looking statements are inherently subject to risks and uncertainties. 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 future financial and operating results, expected cost savings,

expected impact on future earnings, the 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 reports filed with the Securities and Exchange Commission ("SEC"), including without limitation its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K, the following factors, among others, could cause actual

results to differ materially from forward-looking statements: the financial success or changing strategies of the Company's customers; the Company's level of success in integrating acquisitions; actions of government regulators; the level of market interest rates; success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues; the impact, extent and timing of technological changes; capital management activities; and general economic conditions.

## Non-GAAP Measures

This presentation contains financial information, performance measures and statements that include non-GAAP (Generally Accepted Accounting Principles) measures and should be read along with related earnings releases and Forms 10-Q/K for the respective quarters and period ends, 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 First Bancorp. Non-GAAP measures should not be considered as an alternative to any measure of performance or financial condition as determined in accordance with 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 First Bancorp. 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.

# Company Overview

Bank Holding Company	First Bancorp
Subsidiary Bank	First Bank
Headquarters	Southern Pines, North Carolina
Established	1935 as Bank of Montgomery
Assets	\$12.1 billion
Loans	\$8.1 billion
Deposits	\$10.5 billion
Branches	113 in NC & SC
Employees*	1,360 full-time equivalent employees
Ranking	4 <sup>th</sup> largest bank headquartered in NC (largest community bank)
Market Capitalization*	\$1.8 billion – Ticker FBNC
Stock Market/Indices	NASDAQ Global Select Market, S&P SmallCap 600 Index, Russell 2000
Daily Average Trading Volume*	190,000 shares
Insider Ownership*	3.56%
Institutional Ownership*	68.21%
Member of Russell 2000	Yes

\* Data is as of 1/30/25

# Our Mission

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To be the best community bank in every community we serve and through every delivery channel we offer.

## Our core values

- Be committed to safety and soundness.
- Provide accurate, prompt, courteous service.
- Make it easy for our associates to deliver the best value to our clients, and easy for our clients to do business with us whenever, wherever, and however they choose.
- Help our clients and associates build and achieve goals.

# Our Footprint

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Within North & South Carolina



# National Recognition

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## KBW Bank Honor Roll

Top 4% of Banks Over \$500 million in Assets - 2022

Included for the first time in a select group of 14 banks (4% of banking industry over \$500 million) for increasing earnings per share for each of the past 10 years.

## #1 Best Employer in North Carolina

– 2023 and 2024

First Bank has formally been named the NUMBER ONE BEST EMPLOYER in North Carolina, in the extra-large employer category, by Business NC for the last two years.

## S&P Global – Top 10 Public Banks

Ranked 10th in performance of all public banks over \$10 billion in assets for 2022.

## Forbes - Best In-State Banks Recognition

– 2019, 2020, 2021, 2024

Ranked 1<sup>st</sup> or 2<sup>nd</sup> in North Carolina.

Based on customer survey on satisfaction and the following attributes:

- Trust
- Terms & Conditions
- Branch Services
- Digital Services
- Financial Advice



# Q4 2024 Highlights

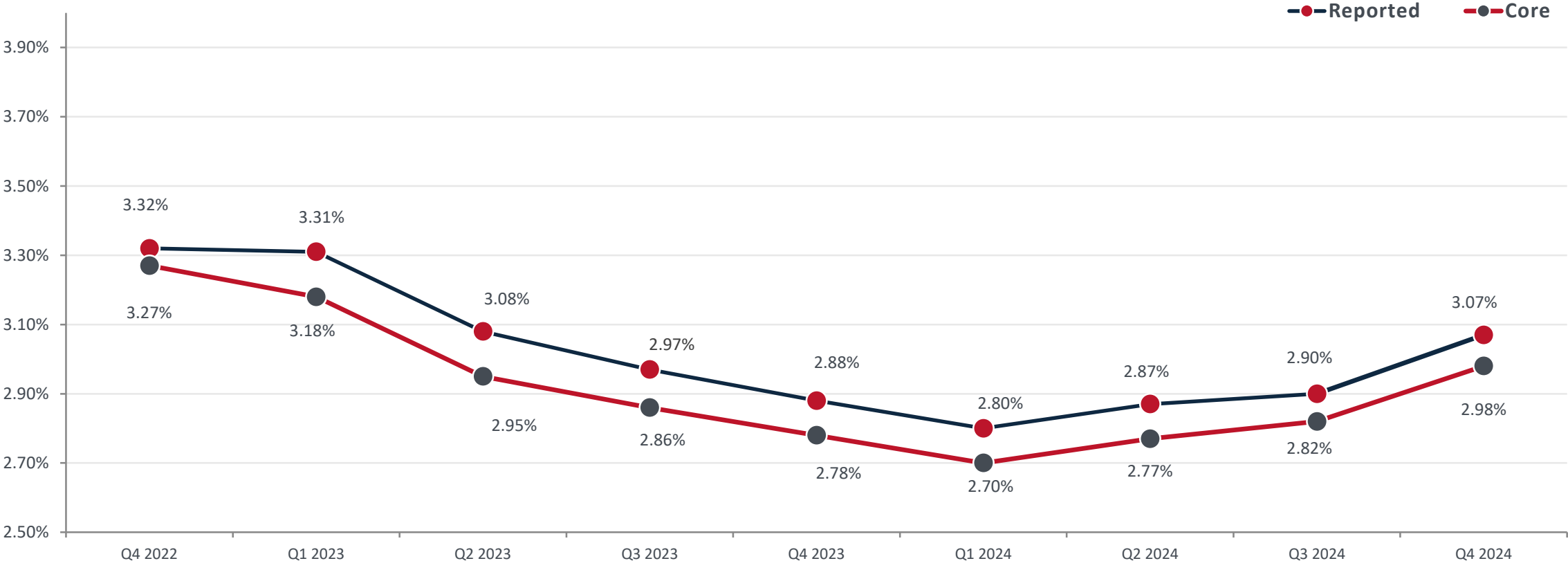


	Q4 2024	Q3 2024	CHANGE
Net income (3) (4)	\$3.6 million	\$18.7 million	(\$15.1 million)
Adjusted Net income	\$31.7 million	\$29.0 million	\$2.7 million
Provision for Credit Losses (3)	\$0.5 million	\$14.2 million	(\$13.7 million)
Diluted EPS	\$0.08	\$0.45	(\$0.37)
Adjusted Diluted EPS	\$0.76	\$0.70	\$0.06
Return on Average Assets	0.12%	0.61%	-49 bps
Return on Average Common Equity	1.29%	5.48%	-419 bps
Return on Average Tangible Common Equity (1)	1.93%	8.30%	-637 bps
Net Interest Margin (2)	3.07%	2.90%	+17 bps
Loan Yield	5.47%	5.51%	-4 bps
Total Cost of Deposits	1.57%	1.76%	-19 bps
Cost of Funds	1.62%	1.81%	-19 bps

1. Annualized net income divided by: average common shareholders' equity less average total intangible assets, net.
2. Tax-equivalent net-interest income divided by average earning assets.
3. Q3 24 includes \$13.0 million provision for potential credit loss exposure in our footprint impacted by Hurricane Helene.
4. Q4 24 includes securities loss of approximately \$36.8 million pre-tax.

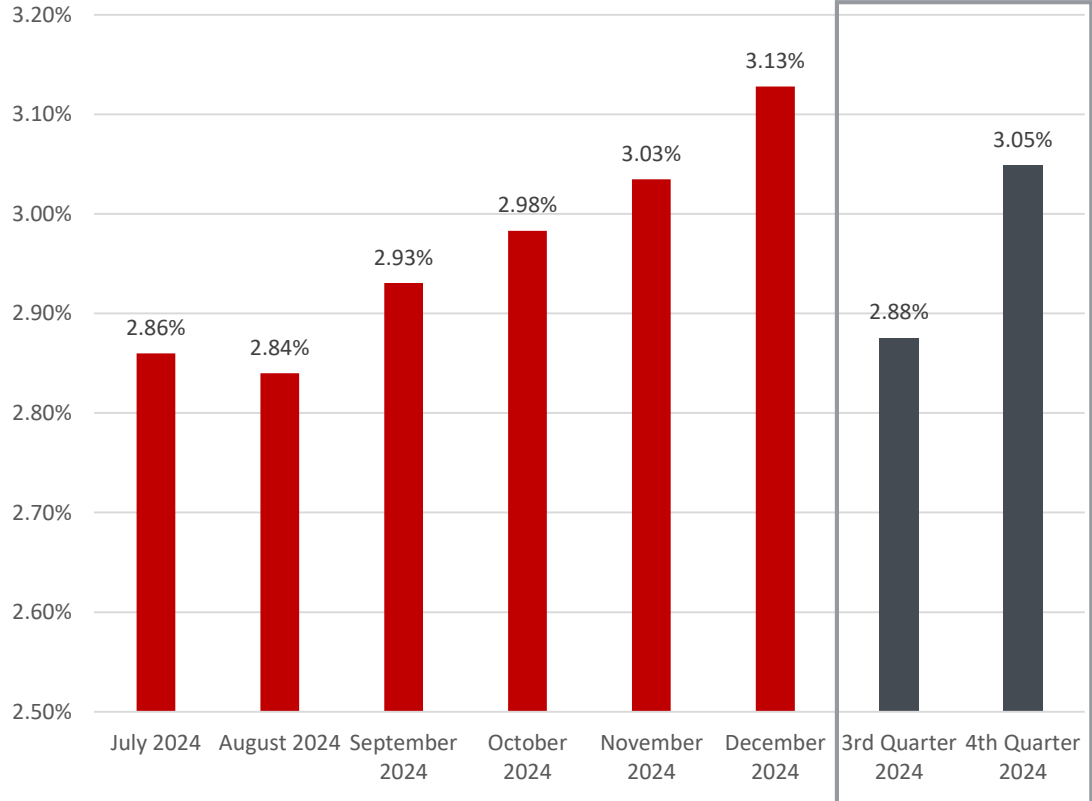
# Net Interest Margin (tax-equivalent)

Net interest margin is calculated by dividing tax-equivalent net interest income by average earning assets. Core net interest margin excludes loan discount accretion income.

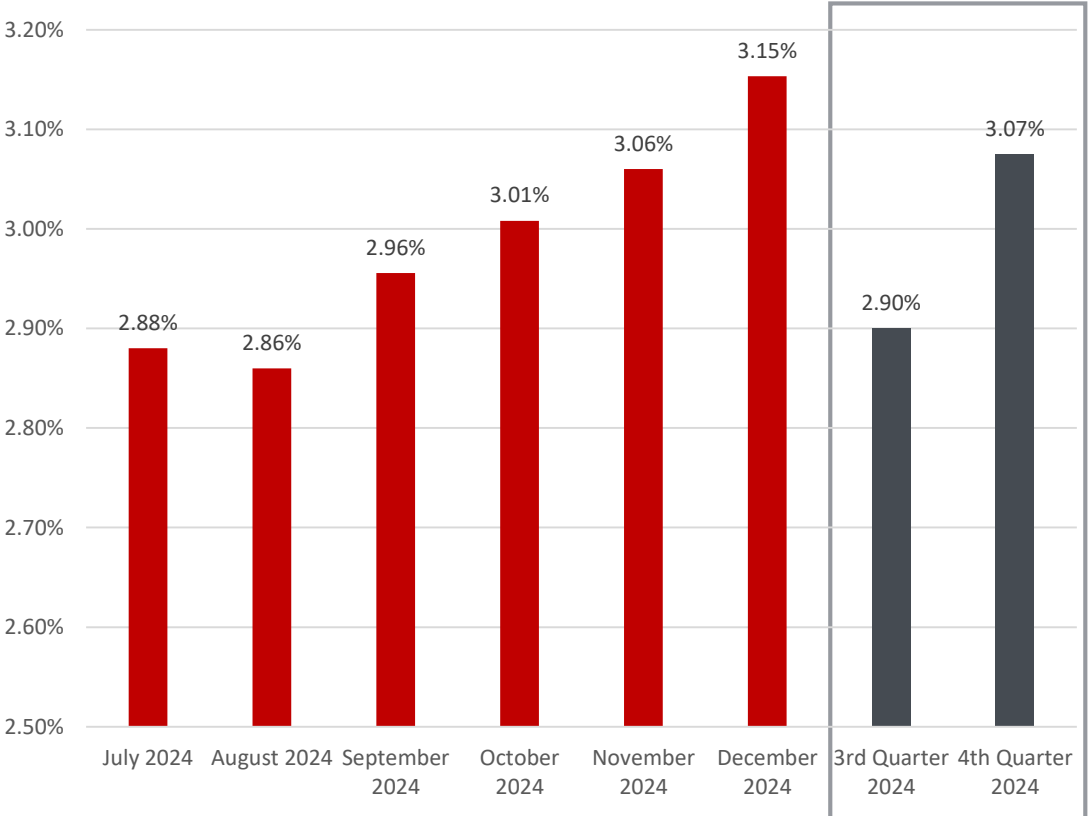


# Monthly Margin Trends

Total Net Interest Margin

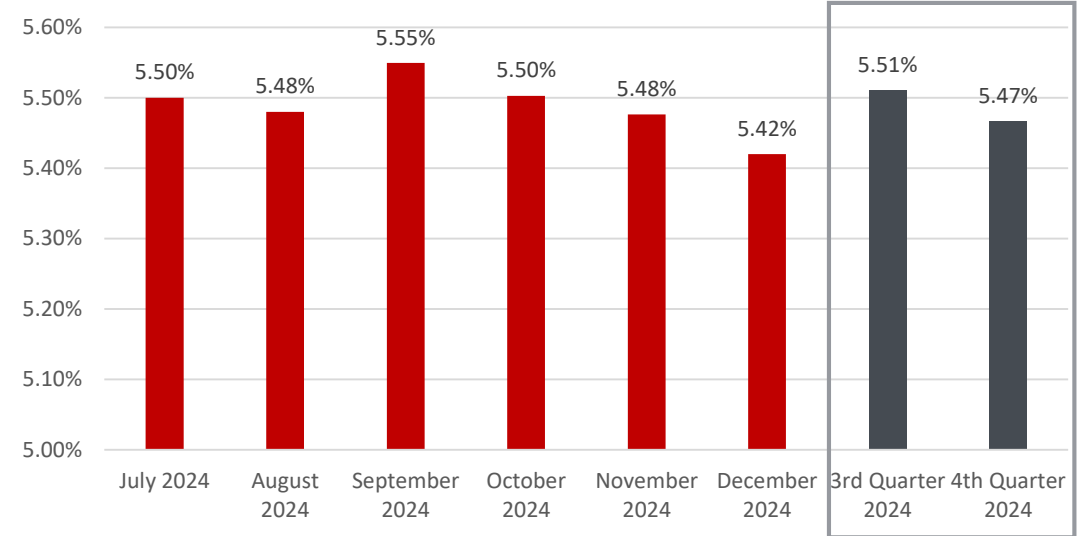


Total NIM - T/E

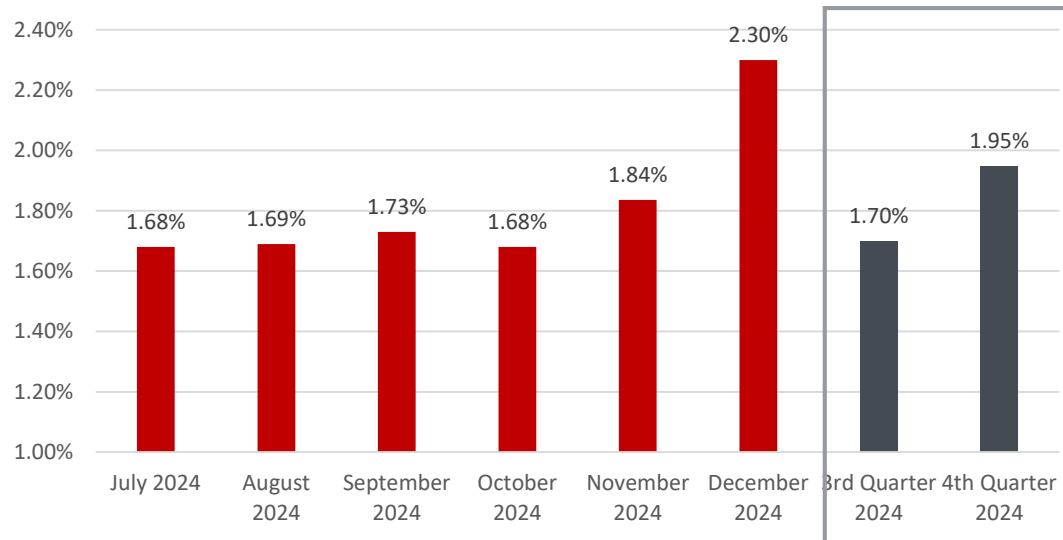


# Monthly Asset Yield Trends

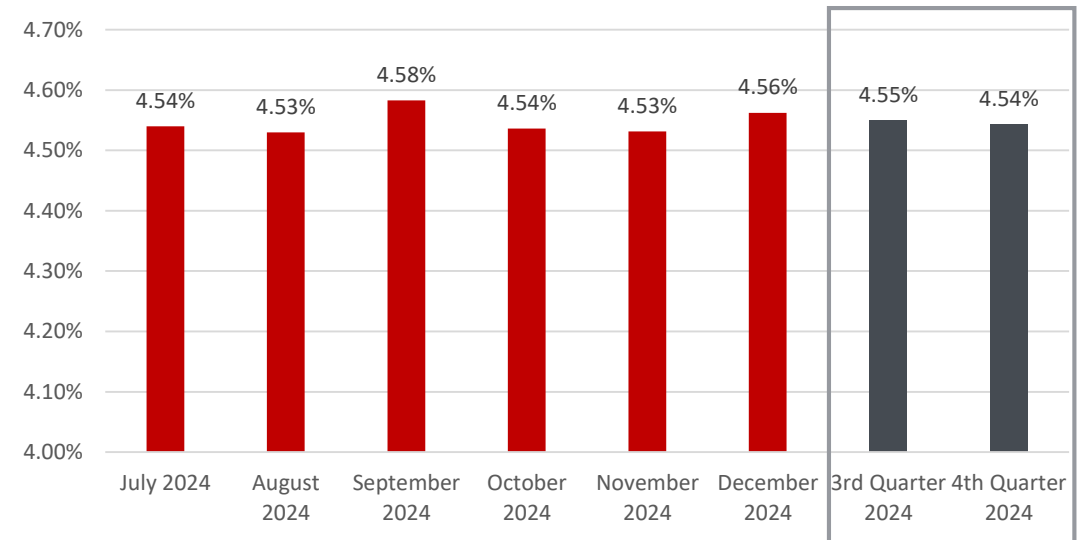
## Total Loans, Fees, & Accretion



## Total Securities

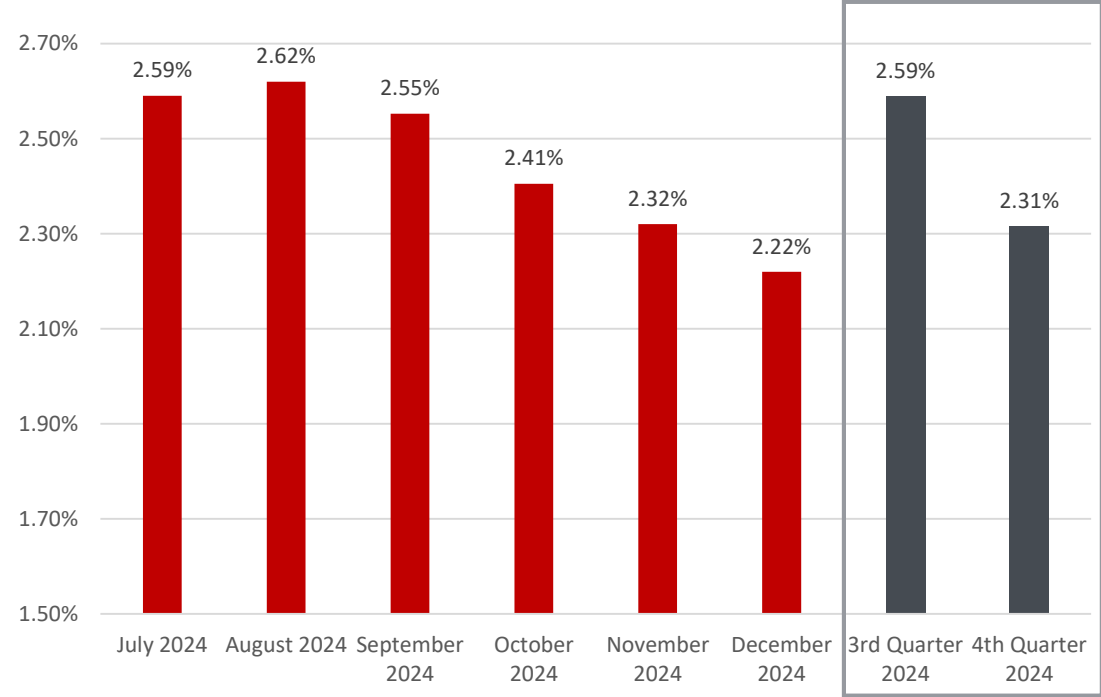


## Interest Earning Assets

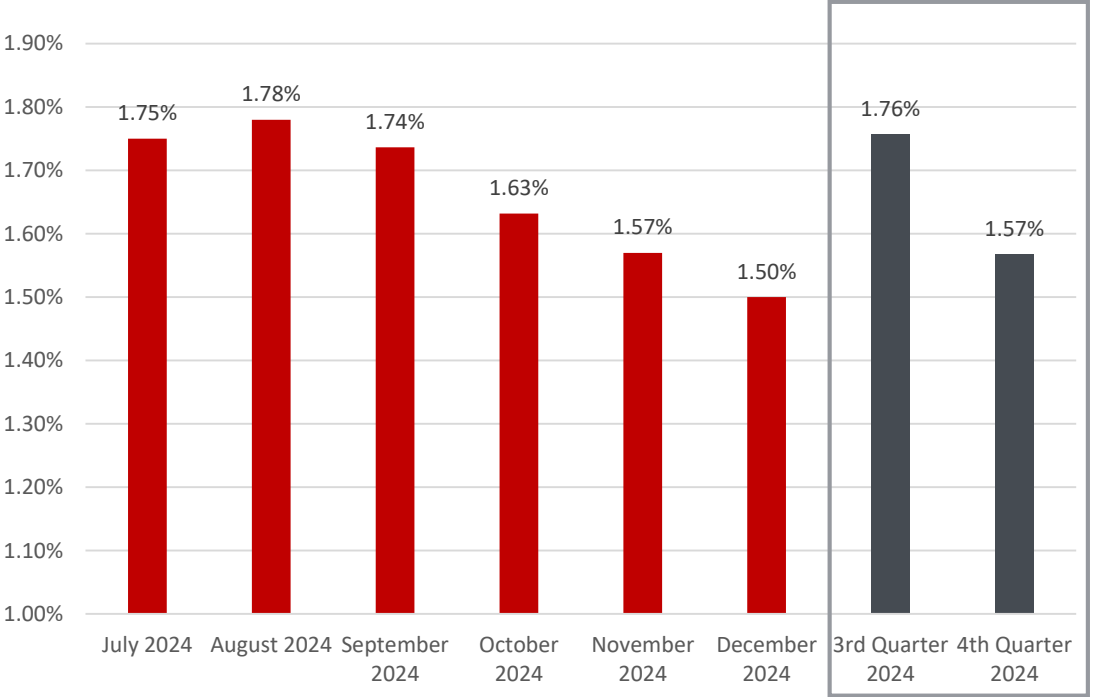


# Monthly Deposit Cost Trends

### Interest Bearing Deposits



### Total Cost of Deposits

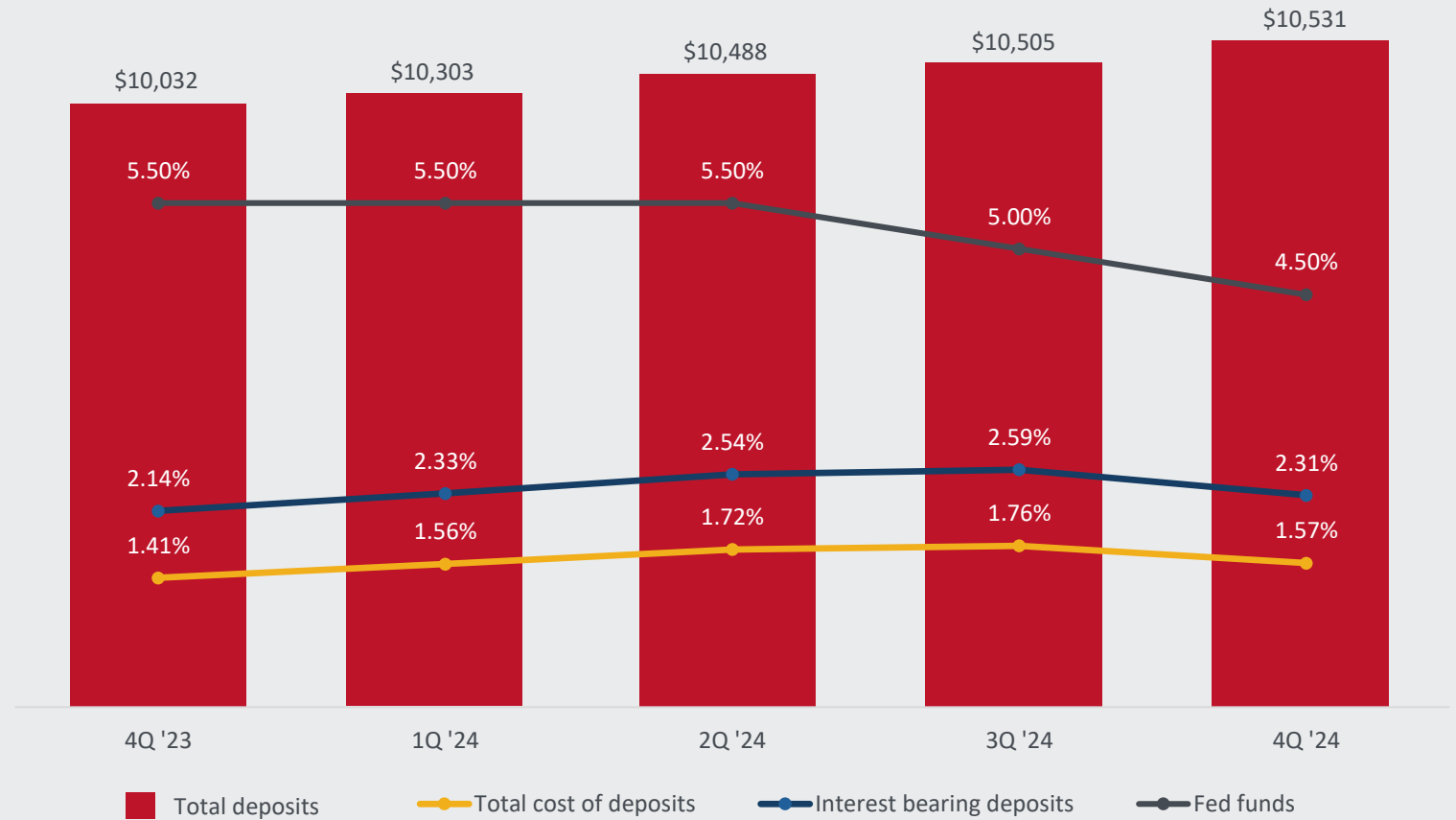


# Strong Deposit Franchise Supported by Attractive Markets

Total deposits ended at \$10.5 billion, an increase of \$26 million for the quarter. For the year, total deposits increased \$499 million, or 5.0%. Brokered deposits remain minimal at December 31, 2024 at \$10 million.

Total Cost of Deposits has remained favorable, and with the Federal Reserve rate cuts, management has reflected those cuts in the rates being offered with total cost of deposits decreasing 19 basis points in Q4 2024.

Deposits End-of-Period (\$ in millions)



# Granular, Diverse and Relationship-focused Customer Funding Base

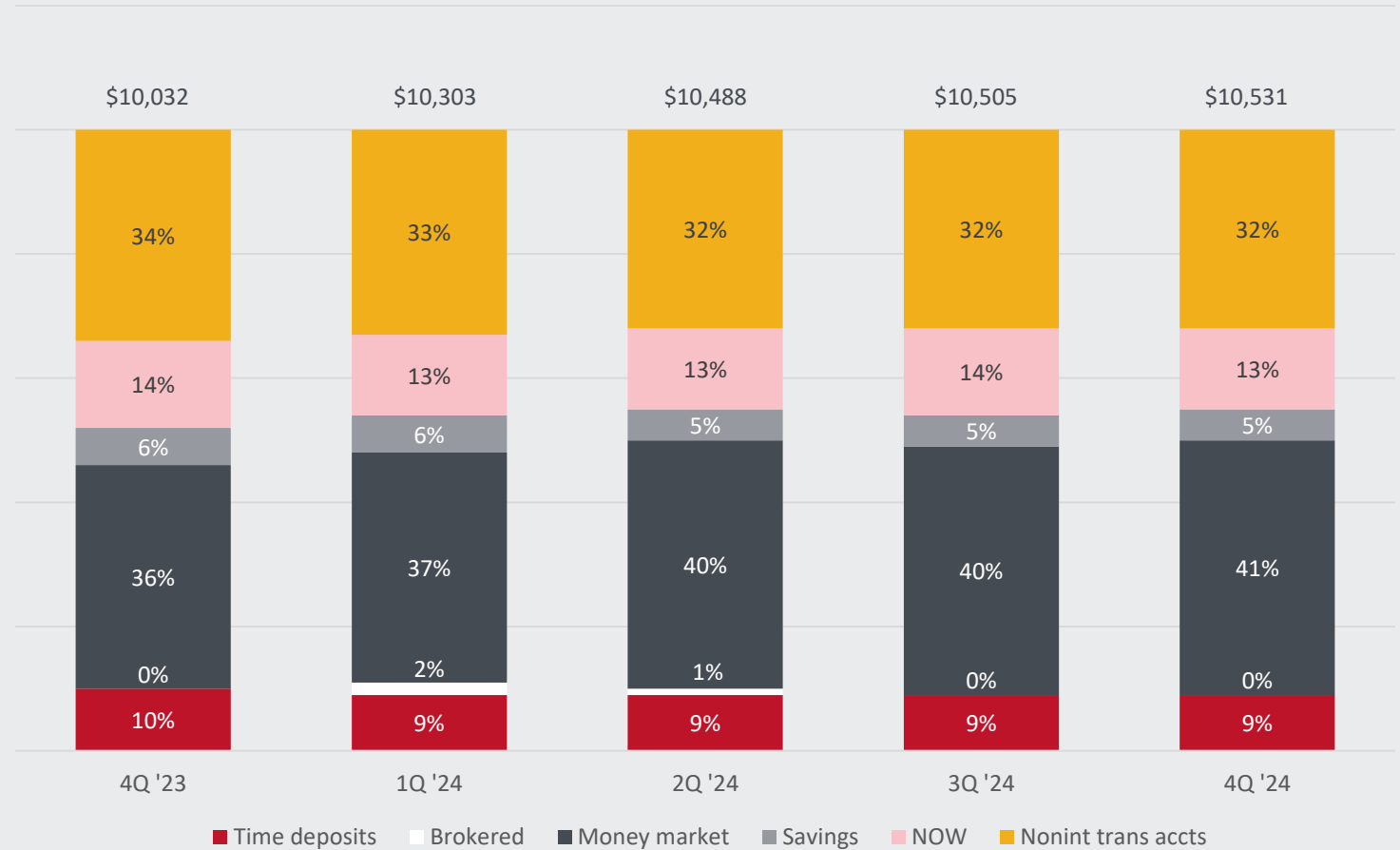
The Company benefits from a granular deposit franchise, with the top twenty depositors representing approximately 7% of total deposits.

Consumer deposits represent 44% of total deposits.

Business deposits represent 56% of total deposits.

Uninsured and uncollateralized deposits represent approximately 32% of total deposits.

Deposits End-of-Period (\$ in millions)

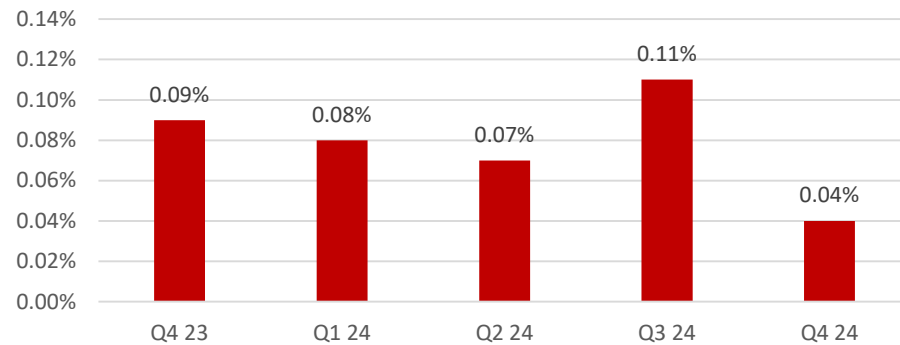


# Allowance for Credit Losses – 12/31/24

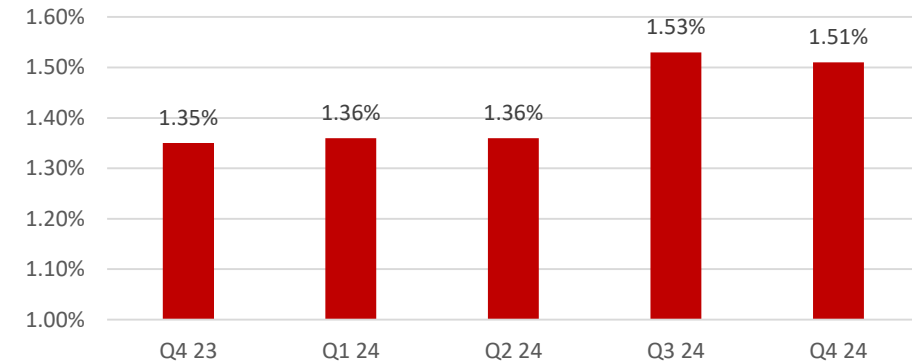
	Loans Outstanding	Allowance for Credit Losses (ex Hurricane Helene)	Allowance for Credit Losses (Hurricane Helene)	% of Loans Outstanding
Commercial and industrial	\$ 919,690	\$ 19,315	\$ 159	2.12%
Construction, development & other land loans	647,167	8,572	742	1.44%
Commercial real estate - owner occupied	1,248,812	18,156	1,224	1.55%
Commercial real estate - non owner occupied	2,625,554	23,601	4,167	1.06%
Multi-family real estate	506,407	4,995	481	1.08%
Residential 1-4 family real estate	1,729,322	28,225	5,327	1.94%
Home equity loans/lines of credit	345,883	3,211	900	1.19%
Consumer loans	70,653	3,497		4.95%
Loans, gross	<b>8,093,488</b>	<b>109,572</b>	<b>13,000</b>	<b>1.51%</b>
Unamortized net deferred loan costs (fees)	1,188			
Total loans	<b>\$ 8,094,676</b>	<b>\$ 109,572</b>	<b>\$ 13,000</b>	<b>1.51%</b>

# Asset Quality Trends

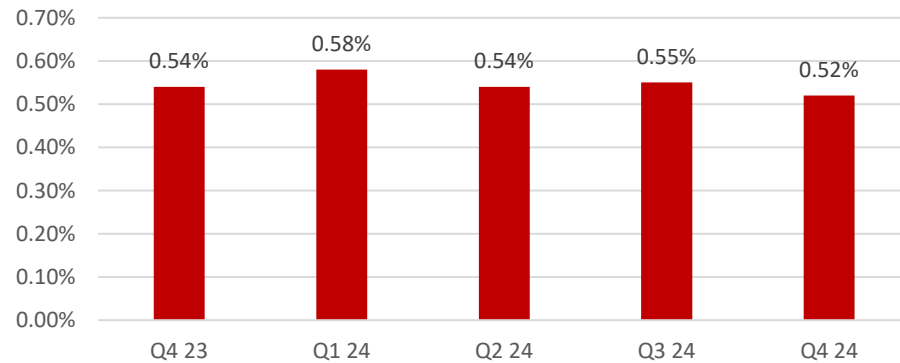
## Annualized Net Charge Offs



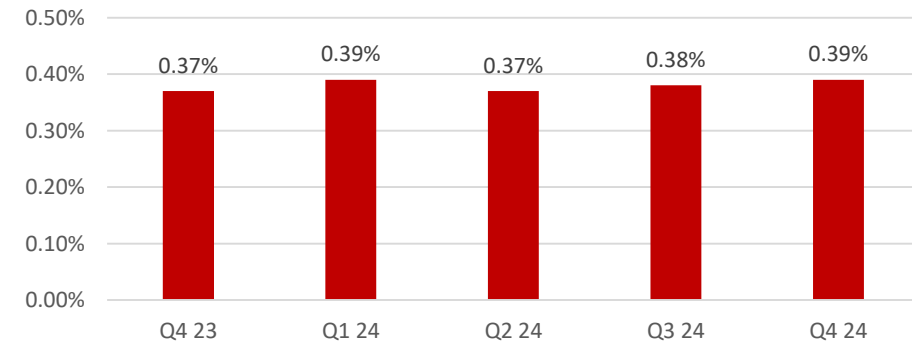
## ACL / Loans



## Nonperforming Loans Ratio



## Nonperforming Assets Ratio



# Investment Thesis

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Bank that offers many of the product capabilities found in larger regional banks but delivers those services with a local community bank focus

- Strong culture
- Mobile Banking, Wealth Management, Credit Card, Treasury Services, 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 90 years of serving our communities
- Strength of rural markets
- Q4 2024 Total Cost of Deposits was 1.50%

Conservative Balance Sheet

- Minimal credit risk in investment portfolio
- Core funded
- In market loan portfolio – almost no participations

Market disruptions provide opportunity

# Valuation

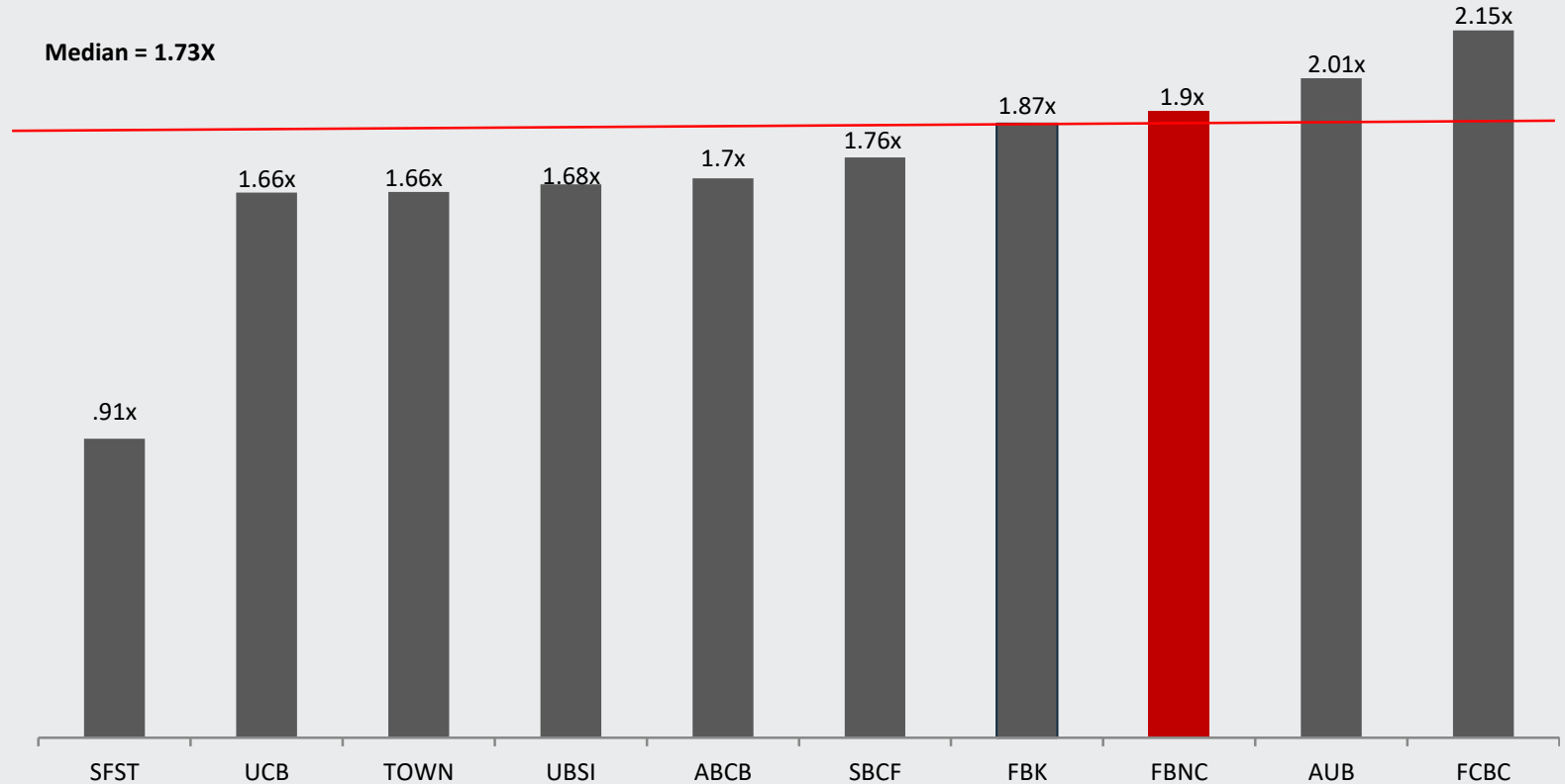
## Price to Tangible Common Book Value

Closing stock price on January 31, 2025 = \$44.13

- Price to tangible book – 1.90x
- Based on 12/31/24 tangible common book value - \$23.17

### Price / Tangible Common Book Value

Median = 1.73X



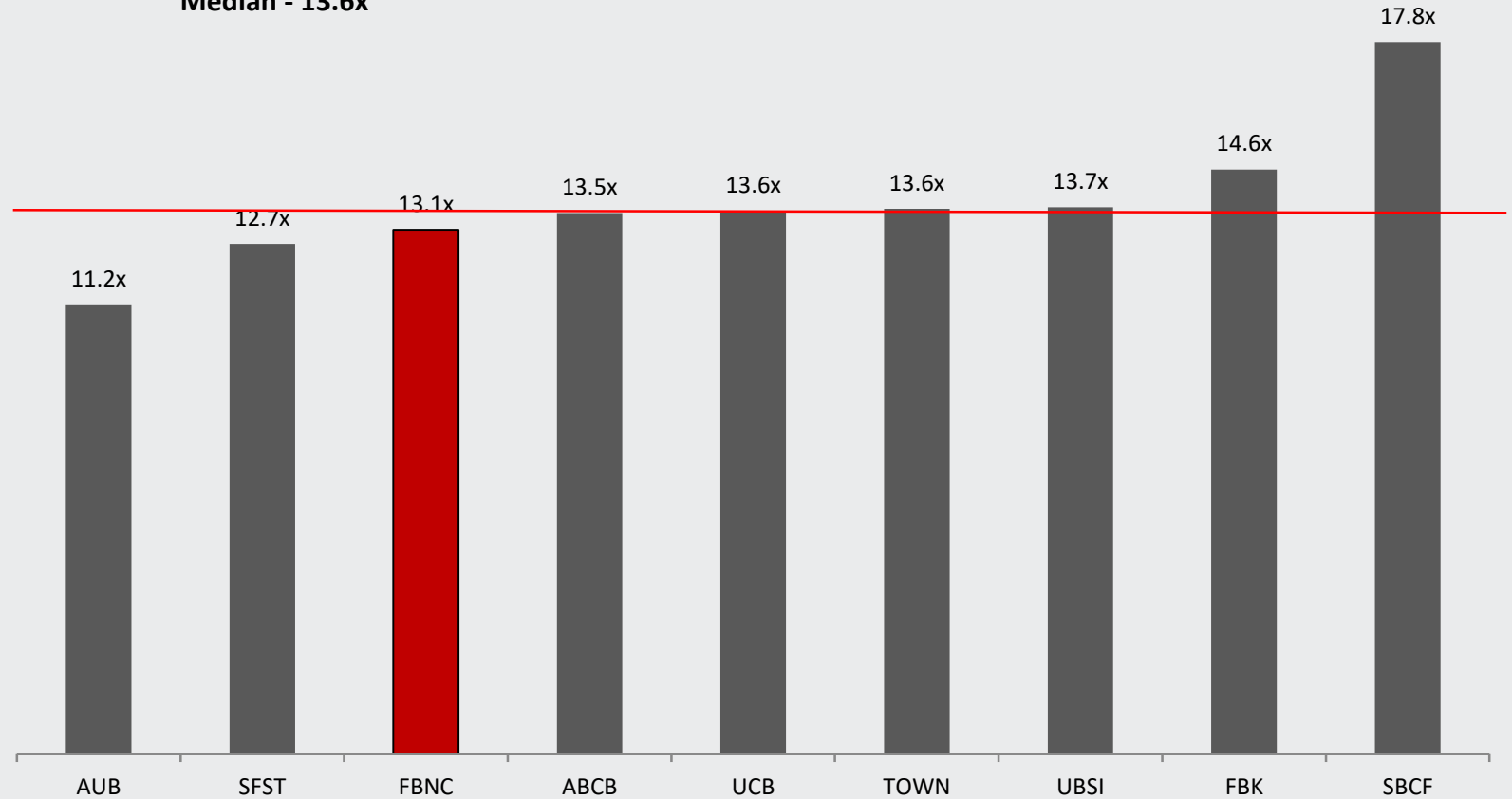
Source: S&P Global

# Valuation

## Price to earnings

Based on SNL Mean Normalized EPS 2025 Estimate of \$3.37, the FBNC price to earnings ratio is 13.1x based on January 31, 2025, closing price for FBNC stock of \$44.13.

Price / 2025 Consensus EPS - Normalized  
Median - 13.6x



Source: S&P Global

# North Carolina & South Carolina

## Great States for Business

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### High Influx of Population

North Carolina is currently the 9<sup>th</sup> most populated state –

- Projected 7<sup>th</sup> by 2040 – and within 1% of 5<sup>th</sup> most populated
- 6<sup>th</sup> highest net increase in population in 2023
- Projected to grow 20% over the next 20 years – 5<sup>th</sup> highest total growth

South Carolina is the 23<sup>rd</sup> most populated state –

- The No. 1 fastest growing state by percentage change and 5<sup>th</sup> fastest by numeric change from 2022 to 2023
- Projected to increase 18% between 2024 and 2042

### America's Top States for Business

- North Carolina ranked No. 1 in America's Top States for Business – 2022 and 2023 (CNBC), 2022 (Forbes), No. 4 (CEO Magazine), No. 5 (Business Facilities)
- South Carolina has trended up 20 points since 2021 to No. 19 (CNBC)
- South Carolina's economy is 12<sup>th</sup> in the nation (CNBC)

Tax-friendly states – NC is phasing out corporate income tax and SC's corporate tax rate is among the lowest in the Southeast

North Carolina Pension System – Ranked strongest in the nation by Moody's

Both states have an AAA Bond Rating

# Service Excellence Standards

## Convenience and Ease

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

## Courteous Service

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

## Knowledge and Accuracy

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

## Safety and Soundness

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



# Succession Plan Implemented

## Adam Currie promoted to Chief Executive Officer of First Bank

*“This transition is the culmination of a succession plan that has been in place for many years.”*

Richard H. Moore  
Chief Executive Officer and Chairman of the Board of Directors of First Bancorp

Currie’s experience and leadership

- Served as President of the Bank since November 2023
- A key driver of First Bancorp’s success in multiple regions over his tenure
- Served as Chief Banking Officer beginning in 2021 and as a Regional President for the prior six years
- Initially hired to expand the Bank’s presence into Charlotte in 2015 after tenures with PNC Capital Markets and RBC Bank

Michael G. Mayer will remain as President and advisor until early 2026.



Adam Currie, Chief Executive Officer, First Bank

# Corporate Citizenship



# Corporate Citizenship

**A proud Carolinas community partner since 1935**

First Bank has long been a committed partner in the many communities it serves across the Carolinas. The following are just some of the investment areas made over the recent years.



## Ensuring Equitable Access to Education

- Area public schools and community colleges
- HBCU and college scholarships
- Communities in schools
- Literacy programs and book drives
- STEAM Programs
- Boys and Girls Club chapters
- Summer camps



## Improving the Lives of Neighbors in Need

- United Way chapters across the Carolinas
- The American Red Cross
- Habitat for Humanity affiliates as volunteers and with our Habitat Loan Origination Program
- Partnership for Children
- Women's shelters and organizations
- Smart Start
- Food banks and numerous drives
- COVID relief funds, meals for frontline workers, and programs for victims of domestic violence



## Promoting Business and Economic Growth

- Foundations
- Entrepreneurship competitions
- Business incubators
- Small business financial education seminars
- Local community economic development organizations
- Events recognizing local business leaders

# Social Responsibility

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## Diversity and Inclusion

We treat customers and associates with respect, communicate effectively and celebrate the unique contributions of each individual. We strive to build an inclusive organization that represents the communities we serve.

### Diversity Council

Represent the ideas and concerns of associates regarding diversity and inclusion and ensure all efforts align with Our Promise to Service Excellence

Serve as a communication channel, providing advice and assistance to leadership in promoting respect, inclusion, opportunity and community in our workplace

Create a work environment that demonstrates all views are respected and provides equal access to opportunities for growth and advancement

Ensure all open positions have a diverse pool of candidates, and our job requirements align with the markets we serve

- Established recruiting relationships with North Carolina HBCUs
- Joined NCWorks to improve visibility of open positions

## Financial Wellness

We provide financial education resources and tools to help members of our communities build brighter financial futures.

### Teach Children to Save

First Bank is an active participant in the American Bankers Association's Teach Children to Save efforts, with associates making more than 185 visits to schools across the Carolinas and the bank matching those visits with \$172,000 in donations.

### First@Work

Through the Bank's First@Work program, Bank associates offer in-person and online financial education seminars for employees at local businesses and at events in their communities.

### Educational Resources

First Bank maintains many educational resources covering a range of topics like personal finance, budgeting, starting a business, buying a home, and understanding a credit score. These are frequently and widely shared through the Bank's social media channels, including Facebook, Twitter, LinkedIn, and Instagram.

### The Learning Lab

Built specifically for teens ages 12-18, the Learning Lab online modules provide financial education through fun, game-like scenarios on a variety of topics, including budgeting, savings, and investing.

# Governance Responsibility

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- Substantial majority of the Board of Directors consist of independent directors, with 12 of 14 current directors considered independent under NASDAQ and SEC guidelines
- One-year term for board members
- Executive sessions limited to independent directors held at least twice a year
- Fifty percent of base director fees paid in common stock
- Stock ownership requirements for directors equal to five times the cash value of annual director compensation
- Mandatory director retirement at age 72
- Recognition of the benefits of diversity in the composition of the Board
- Anti-hedging policy applicable to shares held by directors and Named Executive Officers

First Bank has strong  
corporate governance  
practices



- Long-term incentive equity awards granted to senior officers have three-year cliff vesting requirements
- 50% of senior officer annual incentive bonuses are paid in the form of restricted stock, which vest over 3 years in equal annual installments
- CEO compensation is currently comprised of 50% cash and 50% stock with three-year vesting
- All employment agreements in place for senior officers have one-year terms
- Share ownership requirements for each Named Executive Officer
- The CEOs of Bancorp and First Bank are required to retain at least 50% of all stock grants until retirement

**FIRST BANK**

**Thank you!**

