

# 2024 Third 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

**FIRST BANCORP**

Bank Holding Company	First Bancorp
Subsidiary Bank	First Bank
Headquarters	Southern Pines, North Carolina
Established	1935 as Bank of Montgomery
Assets	\$12.2 billion
Loans	\$7.9 billion
Deposits	\$10.5 billion
Branches	113 in NC & SC
Employees	1,380 full-time equivalent employees
Ranking	4 <sup>th</sup> largest bank headquartered in NC (largest community bank)
Market Capitalization*	\$1.97 billion – Ticker FBNC
Stock Market/Indices	NASDAQ Global Select Market, S&P SmallCap 600 Index, Russell 2000
Daily Average Trading Volume*	153,000 shares
Insider Ownership*	3.56%
Institutional Ownership*	63.65%
Member of Russell 2000	Yes

# Our Mission

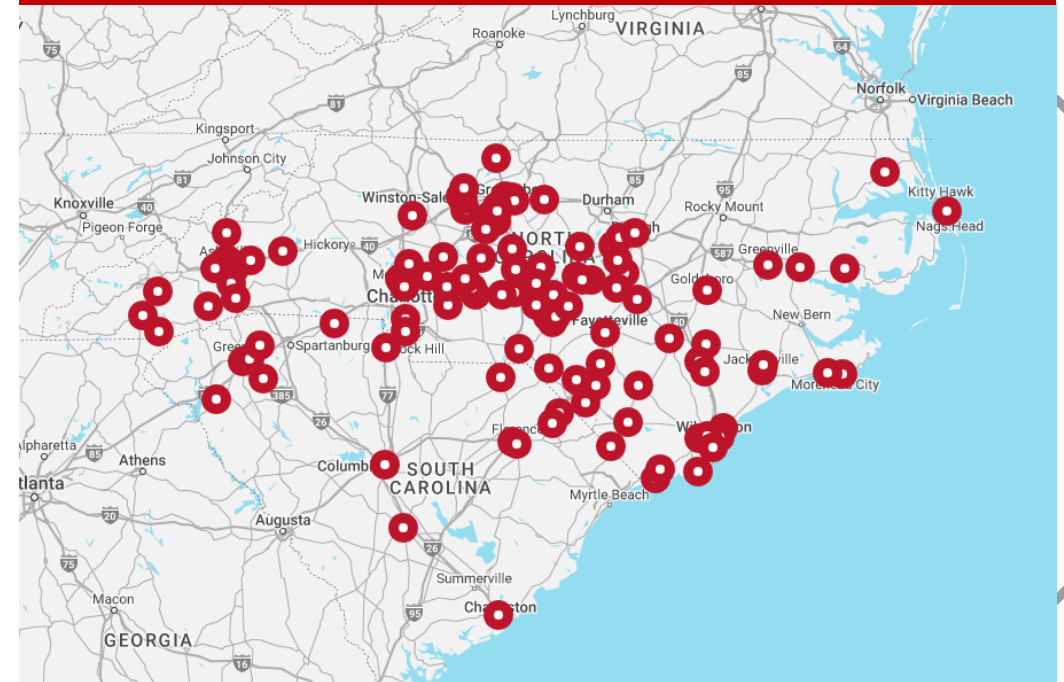
To be the best community bank in every community we serve and through every delivery channel we offer.

## 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

Within North & South Carolina



# National Recognition

FIRST BANCORP

## 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 10<sup>th</sup> in performance of all public banks over \$10 billion in assets for 2022.

## Forbes - Best In-State Banks Recognition – 2019, 2020, 2021

Ranked number one bank in North Carolina, and the only bank in the state on the list.

Based on customer survey on satisfaction and the following attributes:

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



# Q3 2024 Highlights

**FIRST BANCORP**

	Q3 2024	Q3 2023 (3)	CHANGE
Net income	\$18.7 million	\$29.9 million	(\$11.2 million)
Provision for Credit Losses (4)	\$14.2 million	-----	\$14.2 million
EPS Common – Diluted	\$0.45	\$0.73	(\$0.28)
Return on Average Assets	0.61%	0.99%	-38 bps
Return on Average Common Equity	5.48%	9.90%	-442 bps
Return on Average Tangible Common Equity (1)	8.30%	15.98%	-768 bps
Net Interest Margin (2)	2.90%	2.97%	-7 bps
Loan Yield	5.51%	5.32%	+19 bps
Cost of Funds	1.81%	1.46%	+35 bps

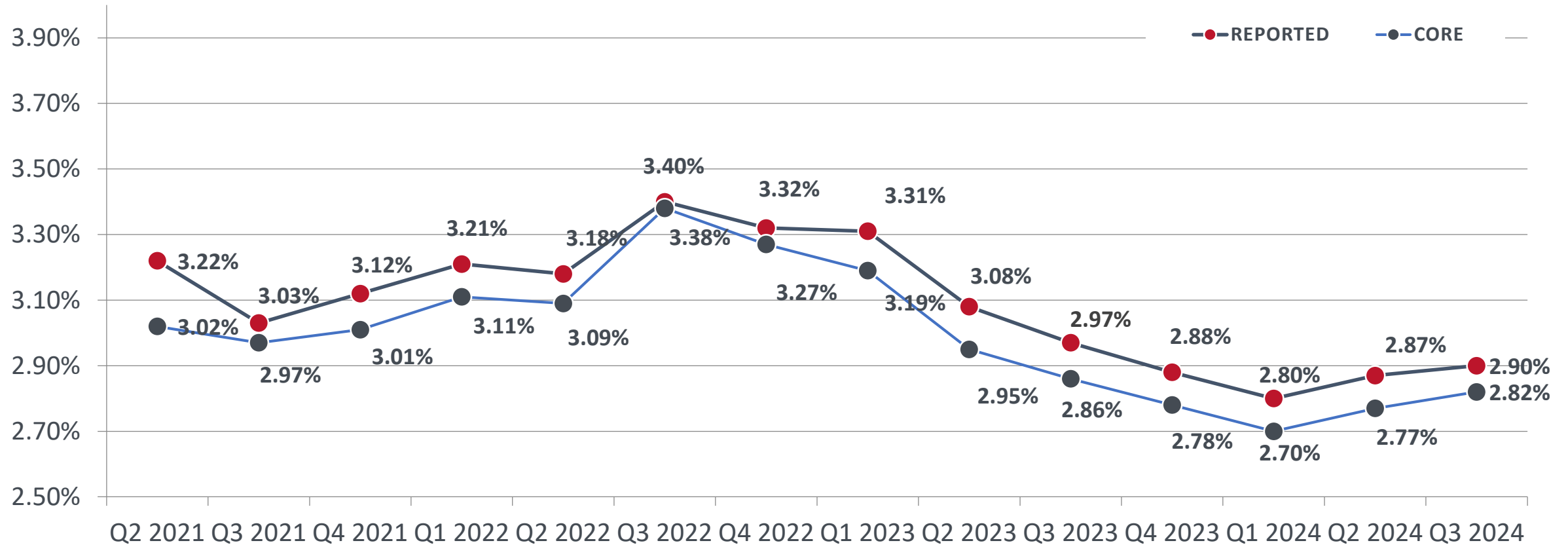
1. Annualized net income divided by: average common shareholders' equity less average total intangible assets, net.

2. Tax-equivalent net-interest income divided by average earning assets.

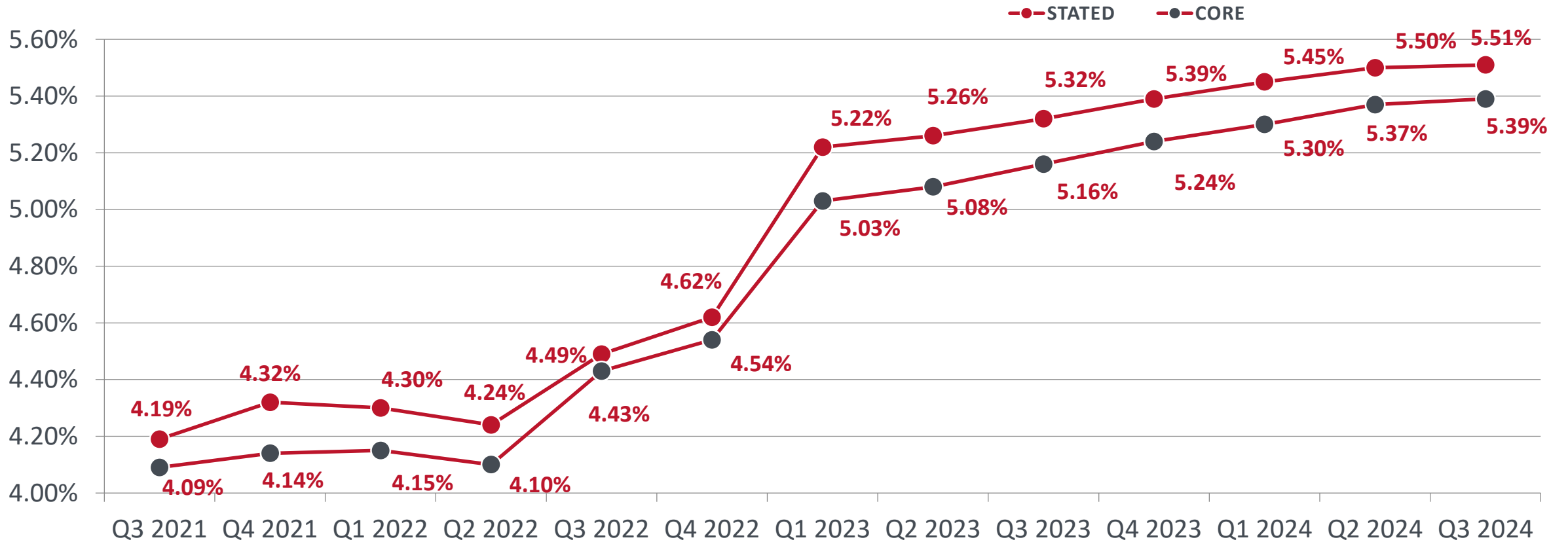
3. The GrandSouth Bancorporation transaction closed January 1, 2023.

4. Includes \$13.0 million provision for potential credit loss exposure in our footprint impacted by Hurricane Helene.

# Net Interest Margin (tax-equivalent)

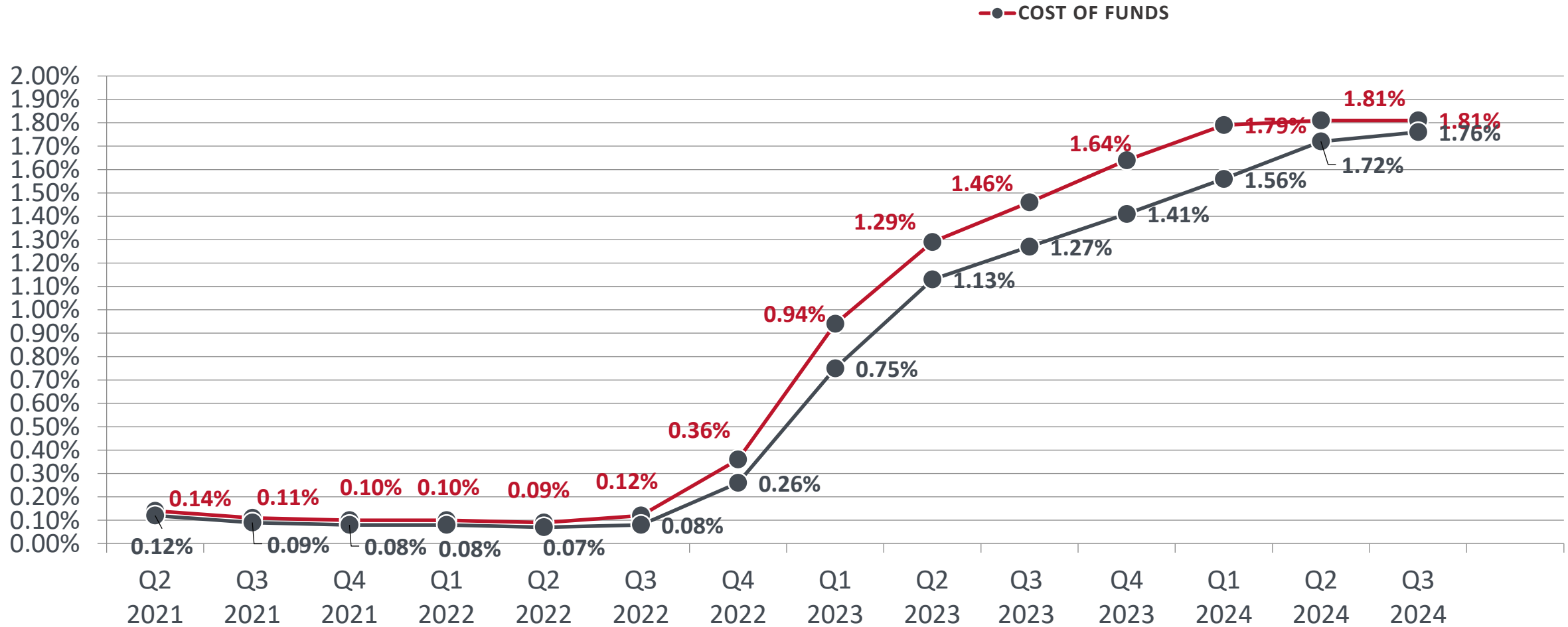


# Loan Yields





# Cost of Funds



# North Carolina

## A Great State for Business

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

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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)

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Tax-friendly state – phasing out corporate income tax

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Right to work state – 2<sup>nd</sup> lowest unionized state

- One of five states in which collective bargaining by public employees is illegal
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North Carolina Pension System – Ranked strongest in the nation by Moody's

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North Carolina has AAA Bond Rating

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### Strong Education System

- Strong university system with top ranked schools
  - Statewide community college system
  - Higher education system ranked 2<sup>nd</sup> in the Southeast
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Below average utility bill rates

# Service Excellence Principals



# Investment Thesis

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

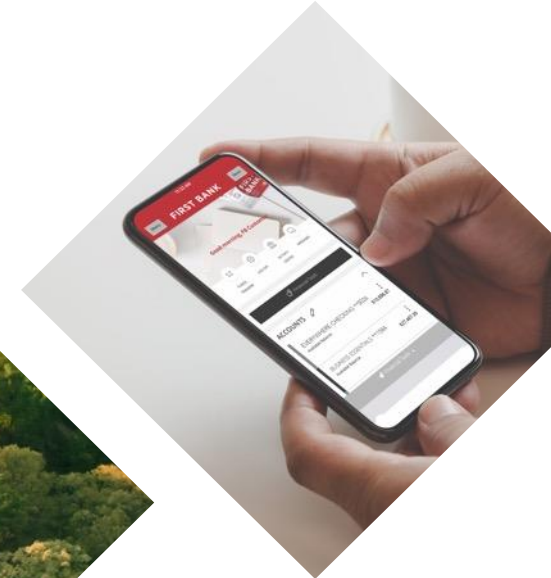
Stable, low cost core deposit franchise

- Built over almost 90 years of serving our communities
- Strength of rural markets
- Q2 2024 Cost of Deposits was 1.72%

Conservative Balance Sheet

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

Market disruptions provide opportunity



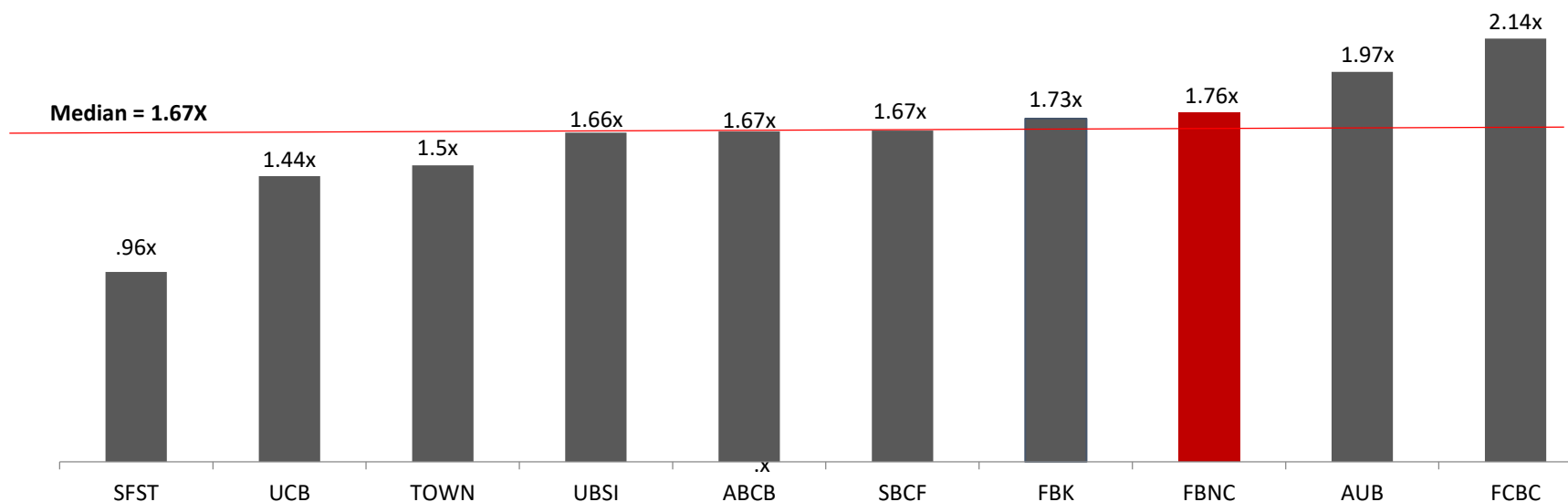
# Valuation

## Price to Tangible Common Book Value

Closing stock price on November 5, 2024 = \$42.17

- Price to tangible book – 1.76x
- Based on 9/30/24 tangible common book value - \$23.91

Price / Tangible Common Book Value

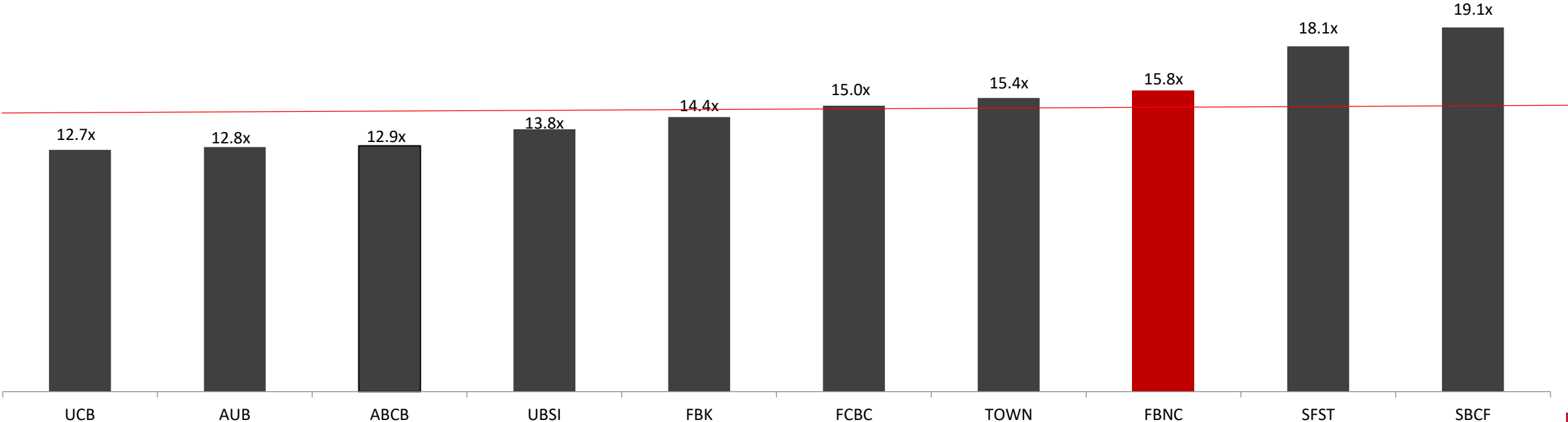


# Valuation

## Price to Earnings

- Based on SNL Mean Normalized EPS 2024 Estimate of \$2.67, the FBNC price to earnings ratio is 15.8x based on November 5, 2024 closing price for FBNC stock of \$42.17.

Price / 2024 Consensus EPS - Normalized  
Median - 14.7x



# 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 last year:

### Ensuring Equitable Access to Education

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

### Improving the Lives of Neighbors in Need

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

### Promoting Business and Economic Growth

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



# Social Responsibility

## 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

Provide opportunities for associates to deepen personal understanding of diversity, equity and inclusion



# Social Responsibility

## 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.



# Power of Good

The most important thing we do is good. We prioritize making a positive impact on our people, our communities, and beyond through our Power of Good Corporate Citizenship program.

**Book Club** – First Bank Book Club helps boost literacy rates in the Carolinas by bringing award-winning children books to public elementary schools for author days featuring fun and discussions.

**Book Depot** – Transforms our locations into a spot for free book drop-offs. This provides a real opportunity to make a difference, encourage foot traffic, start new conversations, and more!

**Donation Matching** – First Bank will match donations that are made by employees to nonprofits that support education, housing, health/wellness, or food in the Carolinas.

**Good Deeds Week** – Every associate across the bank will be given \$20 to perform good deeds for unsuspecting strangers.

**Out of This World Educators Award** – This gives an opportunity to nominate an educator in the Carolinas who has made an impact in a traditional or non-traditional way.

**Power of Good Grants** – Designed to help support the essential work individuals and organizations with those who need it most in our communities.

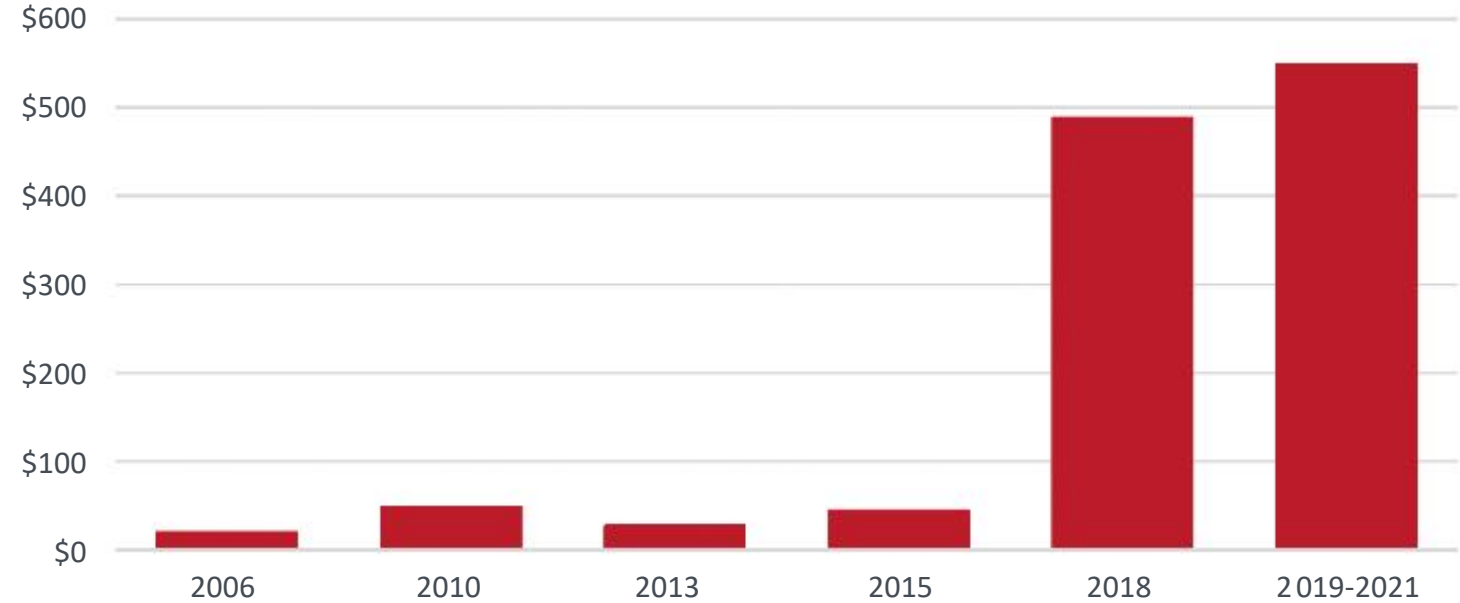


# Community Responsibility

## Lending

Engagement with the community as an extension of our service-oriented culture

Community Development Lending<sup>1</sup> (\$ in Millions)



First Bank has dramatically increased the number and size of loan originations that meet the CRA definition of Community Development.

From 2004 –2021, First Bank has originated just under 1,000 Community Development Loans, totaling \$1.2 billion which have helped to revitalize low-and moderate-income areas throughout the Bank’s footprint.<sup>2</sup>

From 2010 to 2020, First Bank total assets increased by 122%, while the average annual community development loan originations increased by 1,469%.<sup>3</sup>

1. Community Development Lending (“CDL”) includes multifamily and commercial real estate loans, along with lending to nonprofit organizations and other commercial entities that meet the CRA standards for “community development.” Balances are cumulative through period-end. 2. Loans originated from 2004 –2018 have been reviewed by regulators and made public. Loans from 2019 –2021 have not yet been reviewed by examiners and made public and includes PPP loans. 3. First Bank assets increased from \$3.28B in 2010 to \$7.3B in 2020, while average community development lending increased from \$14M in 2010 to \$219.6M in 2020.

# Governance Responsibility

## First Bank has strong corporate governance practices

Substantial majority of the Board of Directors consist of independent directors, with 12 of 14 current directors considered independent under NASDAQ and SEC guidelines

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One-year term for board members

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Executive sessions limited to independent directors held at least twice a year

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Fifty percent of base director fees paid in common stock

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Stock ownership requirements for directors equal to five times the cash value of annual director compensation

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Mandatory director retirement at age 72

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Recognition of the benefits of diversity in the composition of the Board

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Anti-hedging policy applicable to shares held by directors and Named Executive Officers

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Long-term incentive equity awards granted to senior officers have three-year vesting requirements

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50% of senior officer annual incentive bonuses are paid in the form of restricted stock, which vest over 3 years in equal annual installments

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CEO compensation is currently comprised of 50% cash and 50% stock with three-year vesting

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All employment agreements in place for senior officers have one-year terms

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Share ownership requirements for each Named Executive Officer

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The CEO and President are required to retain at least 50% of all stock grants until retirement

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**FIRST BANCORP**

**Thank you.**