

FIRST BANCORP /NC/
Form S-4/A
July 28, 2017

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As filed with the Securities and Exchange Commission on July 28, 2017
Registration No. 333-219026

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FIRST BANCORP
(Exact name of registrant as specified in its charter)

North Carolina (State or other jurisdiction of incorporation or organization)	6022 (Primary Standard Industrial Classification Code Number)	56-1421916 (I.R.S. Employer Identification Number)
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First Bancorp
300 SW Broad Street
Southern Pines, North Carolina 28387
(910) 246-2500
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Richard H.
Moore
Chief Executive
Officer
300 SW Broad
Street
Southern Pines,
North Carolina
28387
(910) 246-2500
(Name, address,
including zip
code, and
telephone
number,
including area
code, of agent for
service)

Copies to:

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2000 Renaissance Plaza
230 N. Elm Street
Greensboro, North Carolina 27401
(336) 373-8850

Neil E. Grayson, Esq.
Eva R. Bateman, Esq.
Nelson Mullins Riley & Scarborough LLP
104 S. Main Street, Suite 900
Greenville, South Carolina 29601
(864) 250-2235

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer		Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)		Smaller reporting company
		Emerging growth company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, no par value	4,909,280	N/A	\$ 166,568,568	\$ 19,306

(1)

Represents the maximum number of shares of common stock of First Bancorp that may be issued to holders of shares of common stock of ASB Bancorp, Inc. in the merger described herein, assuming the exercise of the outstanding options to acquire shares of ASB Bancorp, Inc. common stock.

(2)

Estimated solely for the purpose of determining the registration fee required by Section 6(b) of the Securities Act and calculated in accordance with Rules 457(c) and 457(f) of the Securities Act, based on the market value of the shares of ASB Bancorp, Inc. common stock expected to be exchanged for First Bancorp’s common stock in connection with the merger, as established by the average of the high and low sales prices of ASB Bancorp, Inc. common stock on the NASDAQ Global Market on June 26, 2017 of \$43.55 per share. The registration fee was recalculated as follows: 3,788,025 shares of ASB Bancorp, Inc. common stock outstanding, with 443,900 options outstanding. Assuming all options are exercised, the market value of the (ASBB) securities to be received by First Bancorp equals $4,231,925 \times \$43.55 = \$184,300,334$ minus the cash to be paid by First Bancorp to ASB Bancorp, Inc. shareholders ($4,231,925 \times 10\% \times \$41.90 = \$17,731,766$). The resulting proposed maximum aggregate offering price for purposes of the fee equals $(\$184,300,334 - \$17,731,766) = \$166,568,568$.

(3)

Computed pursuant to Rules 457(c) and 457(f) of the Securities Act, based on a rate of \$115.90 per \$1,000,000 of the proposed maximum aggregate offering price. The rate of \$115.90 per \$1,000,000 results in a filing fee of \$19,306, which was previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY — SUBJECT TO COMPLETION DATED JULY 28, 2017

PROXY STATEMENT PROSPECTUS

MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

Dear Shareholder of ASB Bancorp, Inc.:

These materials are a proxy statement of ASB Bancorp, Inc. (“ASBB”) and a prospectus of First Bancorp (the “Registrant” or “First Bancorp”). They are furnished to you in connection with the notice of special meeting of ASBB shareholders to be held on September 19, 2017. At the special meeting of ASBB shareholders, you will be asked to vote on the merger of ASBB with and into First Bancorp described in more detail herein and to approve, on a non-binding advisory basis, the compensation that certain executive officers of ASBB will receive in connection with the merger pursuant to existing agreements or arrangements with ASBB.

As of July 19, 2017, the record date for the ASBB shareholders meeting, there were 3,788,025 shares of common stock outstanding and entitled to vote at that meeting. Approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of ASBB common stock. Approval of the merger-related compensation proposal requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. You will also be asked to vote on a proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement, which proposal will be approved if the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal.

Subject to the election procedures described in this document, in connection with the merger if approved and consummated, holders of ASBB common stock will be entitled to receive, in exchange for each share of ASBB common stock, consideration equal to (i) 1.44 shares of First Bancorp common stock, or (ii) \$41.90 in cash, without interest, or (iii) a combination of (i) and (ii); provided, that the total merger consideration will be prorated as necessary to ensure that 10% of the total outstanding shares of ASBB common stock will be exchanged for cash and 90% of the total outstanding shares of ASBB common stock will be exchanged for shares of First Bancorp common stock; provided further, that the number of shares of First Bancorp common stock to be issued may not exceed 19.9% of the number of shares of First Bancorp common stock outstanding immediately before the effective time of the merger, and to the extent the total number of shares of First Bancorp common stock would exceed 19.9%, the foregoing proration of the total merger consideration will be appropriately adjusted.

As a result, a maximum of 4,909,280 shares of First Bancorp common stock will be issued to ASBB shareholders if the merger is approved and consummated. This document is a First Bancorp prospectus with respect to the offering and issuance of such shares of First Bancorp common stock.

In addition, at the effective time of the merger, any unvested options to purchase shares of ASBB common stock will accelerate under applicable change in control provisions in the ASB Bancorp, Inc. 2012 Equity Incentive Plan and each outstanding and unexercised stock option will be cancelled in exchange for the right to receive a single lump sum cash payment equal to the product obtained by multiplying (i) the number of shares of ASBB common stock subject to such option, by (ii) \$41.90 less the exercise price per share of such option, less any applicable withholding taxes.

The accompanying materials contain information regarding the proposed merger and the companies participating in the merger, and the Agreement and Plan of Merger and Reorganization pursuant to which the merger will be consummated if approved. We encourage you to read the entire document carefully, including “Risk Factors” section beginning on page 24 for a discussion of the risks related to the proposed merger.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (the "FDIC"), nor any state securities commission or any other bank regulatory agency has approved or disapproved of the securities to be issued in the merger or passed upon the accuracy or adequacy of the disclosures in this document. Any representation to the contrary is a criminal offense. Shares of common stock of First Bancorp are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the FDIC or any other governmental agency.

The date of these materials is July 28, 2017, and they are expected to be first mailed to ASBB shareholders on or about August 4, 2017.

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WHERE YOU CAN FIND MORE INFORMATION

Both First Bancorp and ASBB are subject to the information requirements of the Securities Exchange Act of 1934, as amended, which means that they are both required to file certain reports, proxy statements, and other business and financial information with the Securities and Exchange Commission (“SEC”). You may read and copy any materials that either First Bancorp or ASBB files with the SEC at the Public Reference Room of the SEC at 100 F Street N.E., Washington, D.C. 20549. You may also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at <http://www.sec.gov> where you can access reports, proxy, information and registration statements, and other information regarding registrants that file electronically with the SEC. Such filings are also available free of charge at First Bancorp’s website at <http://investor.localfirstbank.com> under the “SEC Filings” link or from ASBB’s website at <http://ir.ashevillessavingsbank.com> under the “SEC Filings” heading. Except as specifically incorporated by reference into this document, information on those websites or filed with the SEC is not part of this document.

First Bancorp has filed a registration statement on Form S-4 of which this document forms a part. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits, at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that First Bancorp and ASBB have previously filed, and that they may file through the date of the special meeting of ASBB shareholders, with the SEC. They contain important business information about the companies and their financial condition. For further information, please see the section entitled “Incorporation of Certain Documents by Reference” on page 83. These documents are available without charge to you upon written or oral request to the applicable company’s principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below.

First Bancorp	ASB Bancorp, Inc.
300 SW Broad Street	11 Church Street
Southern Pines, North Carolina 28387	Asheville, North Carolina 28801
Attention: Investor Relations	Attn: Investor Relations
(910) 246-2500	(828) 254-7411

To obtain timely delivery of these documents, you must request the information no later than September 12, 2017 in order to receive them before ASBB’s special meeting of shareholders.

First Bancorp common stock is traded on The NASDAQ Global Select Market under the ticker symbol “FBNC”, and ASBB common stock is traded on The NASDAQ Global Market under the ticker symbol “ASBB.”

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ASB BANCORP, INC.

11 Church Street

Asheville, North Carolina 28801

(828) 254-7411

Notice of Special Meeting of Shareholders

To Be Held On September 19, 2017

NOTICE is hereby given that a Special Meeting of Shareholders of ASB Bancorp, Inc. will be held as follows:

The Collider

Place: 1 Haywood Street, 4th Floor
Asheville, North Carolina 28801

Date: September 19, 2017

Time: 10:30 A.M.

The purposes of the meeting are:

1.
To consider and vote on the Agreement and Plan of Merger and Reorganization, under which ASBB will merge with and into First Bancorp, as more particularly described in the accompanying materials;
2.
To cast a non-binding advisory vote to approve the compensation that certain executive officers of ASBB will receive under existing agreements or arrangements with ASBB in connection with the merger; and
3.
To consider and vote upon a proposal to approve the adjournment of the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement.

If ASBB shareholders approve the merger agreement, ASBB will be merged with and into First Bancorp. Unless adjusted pursuant to the terms of the merger agreement, ASBB shareholders may elect to receive shares of First Bancorp common stock or cash (or a combination of both stock and cash) in exchange for each of their shares of ASBB common stock in the merger on the following basis:

- (i)
1.44 shares of First Bancorp common stock for each share of ASBB common stock; or
- (ii)
\$41.90 in cash, without interest, for each share of ASBB common stock; or
- (iii)
a combination of (i) and (ii).

provided, that the total merger consideration will be prorated as necessary to ensure that 10% of the total outstanding shares of ASBB common stock will be exchanged for cash and 90% of the total outstanding shares of ASBB common stock will be exchanged for shares of First Bancorp common stock; provided further, that the number of shares of First Bancorp common stock to be issued may not exceed 19.9% of the number of shares of First Bancorp common stock outstanding immediately before the effective time of the merger, and to the extent the total number of shares of First Bancorp common stock would exceed 19.9%, the foregoing proration of the total merger consideration will be appropriately adjusted. If the aggregate cash elections are greater than the cash election maximum, all such cash elections will be subject to proration, and, if the aggregate stock elections are greater than the stock election maximum, all such stock elections will be subject to proration, all as more fully explained under the heading "Proposal

No. 1 — The Merger – The Merger Consideration” (page 54).

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Approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of ASBB common stock entitled to vote at the special meeting. Approval of the merger-related compensation proposal requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. Approval of the adjournment proposal requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. Abstentions from voting and broker non-votes will be included in determining whether a quorum is present and will have the effect of a vote against the merger agreement.

Only shareholders of record of ASBB common stock at the close of business on July 19, 2017 will be entitled to vote at the special meeting or any adjournments thereof. ASBB's Board of Directors has adopted a resolution approving the merger and the merger agreement and unanimously recommends that you vote "FOR" the proposal to approve the merger agreement, "FOR" the merger-related compensation proposal, and "FOR" the adjournment proposal.

Business and financial information about ASBB is available without charge to you upon written or oral request made to Kirby A. Tyndall, Chief Financial Officer, ASB Bancorp, Inc., 11 Church Street, Asheville, North Carolina 28801, telephone number (828) 254-7411. To obtain delivery of such business and financial information before the special meeting, your request must be received no later than September 12, 2017.

YOUR VOTE IS VERY IMPORTANT. You can vote your shares over the Internet or by telephone. If you requested or received a paper proxy card or voting instruction form by mail, you may also vote by signing, dating and returning your proxy card or voting instruction form. If you are the record holder of the shares, you may change your vote by: (i) if you voted over the Internet or by telephone, voting again over the Internet or by telephone by the applicable deadline described herein; (ii) if you previously completed and returned a proxy card, submitting a new proxy card with a later date and returning it to ASBB prior to the vote at the special meeting; (iii) submitting timely written notice of revocation to our Corporate Secretary, at ASB Bancorp, Inc., 11 Church Street, Asheville, North Carolina 28801, at any time prior to the vote at the special meeting; or (iv) attending the special meeting in person and voting your shares at the special meeting. If your shares are held in street name, you may change your vote by submitting new voting instructions to your brokerage firm, bank or other similar entity or, if you have obtained a legal proxy from your brokerage firm, bank, or other similar entity giving you the right to vote your shares, you may change your vote by attending the special meeting and voting in person. If you own shares of ASBB common stock indirectly through the Asheville Savings Bank Employee Stock Ownership Plan, the Asheville Savings Bank Retirement Savings Plan, or the ASB Bancorp, Inc. 2012 Equity Incentive Plan, you should contact the plan trustees to change your vote or revoke your proxy.

By Order of the Board of Directors,

Suzanne S. DeFerie
President and Chief Executive Officer

July 28, 2017
Asheville, North Carolina

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following are some questions that you may have about the merger and the ASBB special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this document because the information in this section does not provide all of the information that might be important to you with respect to the merger and the ASBB special meeting. Additional important information is also contained in the documents incorporated by reference into this document. See “Where You Can Find More Information” and “Incorporation of Certain Documents By Reference” on page 83.

Q:

What am I being asked to approve?

A:

You are being asked to (i) approve the merger agreement between ASBB and First Bancorp, pursuant to which ASBB will be merged with and into First Bancorp, (ii) approve, on a non-binding advisory basis, the compensation that certain executive officers of ASBB will receive in connection with the merger pursuant to existing agreements or arrangements with ASBB, and (iii) approve a proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement.

Q:

How does the ASBB Board of Directors recommend that I vote at the special meeting?

A:

The ASBB Board of Directors has unanimously approved the merger agreement and recommends voting “FOR” approval of the merger agreement, “FOR” approval of the merger-related compensation proposal, and “FOR” approval of the adjournment proposal.

Q:

When and where is the special meeting?

A:

The special meeting will be held at The Collider, 1 Haywood Street, 4th Floor, Asheville, North Carolina 28801, on September 19, 2017, at 10:30 a.m., local time.

Q:

What constitutes a quorum for the special meeting?

A:

The presence at the special meeting, in person or by proxy, of holders representing at least a majority of the issued and outstanding shares of ASBB common stock entitled to be voted at the special meeting will constitute a quorum for the transaction of business at the special meeting. Once a share is represented for any purpose at the special meeting, it is deemed present for quorum purposes for the remainder of the special meeting and for any adjournment(s) thereof. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

A “broker non-vote” occurs when a broker or other nominee who holds shares for another does not vote on a particular matter because the broker or other nominee does not have discretionary authority on that matter and has not received instructions from the owner of the shares.

Q:

What is the vote required to approve each proposal at the special meeting?

A:

Approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of ASBB common stock. Your failure to vote your shares (including your failure to instruct your broker to vote your shares) or your abstaining from voting will have the same effect as a vote “AGAINST” the merger agreement.

Approval of the merger-related compensation proposal requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. Approval of the adjournment proposal requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. Your failure to vote your shares (including your failure to instruct your broker to vote your shares) or your abstaining from voting will have no effect on the merger-related compensation proposal or the adjournment proposal.

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Q:

Why is my vote important?

A:

If you do not vote, it will be more difficult to obtain the necessary quorum to hold the special meeting. In addition, your failure to submit a proxy or vote in person, or failure to instruct your broker how to vote, or abstention with respect to the merger agreement will have the same effect as a vote “AGAINST” approval of the merger agreement. The ASBB Board of Directors has unanimously approved the merger agreement and unanimously recommends that ASBB shareholders vote “FOR” the approval of the merger agreement.

Q:

What will I receive in the merger?

A:

You will receive (i) 1.44 shares of First Bancorp common stock or (ii) \$41.90 in cash, without interest, or (iii) a combination of (i) and (ii), for each share of ASBB common stock; provided, that the total merger consideration will be prorated as necessary to ensure that 10% of the total outstanding shares of ASBB common stock will be exchanged for cash and 90% of the total outstanding shares of ASBB common stock will be exchanged for shares of First Bancorp common stock; provided further, that the number of shares of First Bancorp common stock to be issued may not exceed 19.9% of the number of shares of First Bancorp common stock outstanding immediately before the effective time of the merger, and to the extent the total number of shares of First Bancorp common stock would exceed 19.9%, the foregoing proration of the total merger consideration will be appropriately adjusted.

In addition, at the effective time of the merger any unvested options to purchase shares of ASBB common stock will accelerate under applicable change in control provisions in the ASB Bancorp, Inc. 2012 Equity Incentive Plan and each outstanding and unexercised stock option will be cancelled in exchange for the right to receive a single lump sum cash payment equal to the product obtained by multiplying (i) the number of shares of ASBB common stock subject to such option, by (ii) \$41.90 less the exercise price per share of such option, less any applicable withholding taxes. First Bancorp will not issue fractional shares in the merger. Instead, you will receive a cash payment, without interest, for the value of any fraction of a share of First Bancorp common stock that you would otherwise be entitled to receive in an amount equal to such fractional part of a share of First Bancorp common stock multiplied by the average price of First Bancorp common stock on The NASDAQ Global Select Market during the 20 consecutive trading days ending on the trading day immediately prior to the later of (i) the effective date of the last required consent of any regulatory authority having authority over and approving or exempting the merger and (ii) the date of the receipt of the approval of the ASBB shareholders to the merger.

To review what you will receive in the merger in greater detail, see “Proposal No. 1 — The Merger — The Merger Consideration” beginning on page 54.

Q:

How can I elect stock, cash or a combination of both stock and cash?

A:

You may indicate a preference to receive First Bancorp common stock, cash or a combination of both in the merger by completing an election form that will be sent to you as soon as practicable. The total merger consideration will be prorated as necessary to ensure that 10% of the total outstanding shares of ASBB common stock will be exchanged for cash and 90% of the total outstanding shares of ASBB common stock will be exchanged for shares of First Bancorp common stock; provided, that the number of shares of First Bancorp common stock to be issued may not exceed 19.9% of the number of shares of First Bancorp common stock outstanding immediately before the effective time of the merger, and to the extent the total number of shares of First Bancorp common stock would exceed 19.9%, the foregoing proration of the total merger consideration will be appropriately adjusted. Accordingly, if the aggregate cash elections are greater than the cash election maximum, each cash election will be reduced pro rata based on the amount

by which the aggregate cash elections exceed the cash election maximum. Alternatively, if the aggregate stock elections are greater than the stock election maximum, each stock election will be reduced pro rata based on the amount by which the aggregate stock elections exceed the stock election maximum.

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If you do not make an election by 4:00 P.M. local time on September 18, 2017, First Bancorp will have the authority to determine the type of consideration to be exchanged for such non-election shares. ASBB's Board of Directors makes no recommendation as to whether you should choose First Bancorp common stock or cash or a combination of both for your shares of ASBB common stock. You should consult with your own financial advisor on that decision.

Q:

When is the merger expected to be completed?

A:

We plan to complete the merger during the fourth quarter of 2017, subject to receipt of all required regulatory approvals.

Q:

What should I do now?

A:

After you have carefully read this document, vote by proxy over the Internet, by telephone or by mail. If you hold shares of ASBB common stock in more than one account, you must vote all shares over the Internet, by telephone or by mail. If you vote over the internet or by telephone, you do not need to return any documents through the mail.

If you vote using one of the methods described below, you will be designating the persons named in the enclosed proxy card as your proxies to vote your shares as you instruct. If you vote without giving specific voting instructions, these individuals will vote your shares by following the recommendations of the ASBB Board of Directors. If any other business properly comes before the special meeting, these individuals will vote on those matters in their discretion.

Registered Holder: You do not have to attend the special meeting to vote. The ASBB Board of Directors is soliciting proxies so that you can vote before the special meeting. Even if you currently plan to attend the special meeting, we recommend that you vote by proxy before the special meeting so that your vote will be counted if you later decide not to attend. However, if you attend the special meeting and vote your shares by ballot, your vote at the special meeting will revoke any vote you submitted previously by proxy. If you are the record holder of your shares, there are three ways you can vote by proxy:

•

By Internet: You may vote over the Internet by going to <http://www.investorvote.com/asbb> and following the instructions when prompted;

•

By Telephone: You may vote by telephone by calling toll free 1-800-652-VOTE (8683); or

•

By Mail: You may vote by completing, signing, dating and returning the enclosed proxy card.

Street Holder: If your shares are held in street name, you may vote your shares before the special meeting by mail, by completing, signing, and returning the voting instruction form you received from your brokerage firm, bank or other similar entity. You should check your voting instruction form to see if any alternative method, such as Internet or telephone voting, is available to you.

Participants in the ESOP, 401(k) Plan or 2012 Equity Incentive Plan: If you own shares of ASBB common stock indirectly through the Asheville Savings Bank Employee Stock Ownership Plan ("ESOP"), the Asheville Savings Bank Retirement Savings Plan ("401(k) Plan"), or the ASB Bancorp, Inc. 2012 Equity Incentive Plan, you may vote your shares before the special meeting by mail, by completing, signing, and returning the voting instruction form you received for each plan that reflects all shares you may direct the trustees to vote on your behalf under the plan. You should check your voting instruction form to see if any alternative method, such as Internet or telephone voting, is

available to you.

Q:

Can I change my vote?

A:

Yes. If you are the record holder of ASBB common stock, you may change your vote by: (i) if you voted over the Internet or by telephone, voting again over the Internet or by telephone by the applicable deadline described herein; (ii) if you previously completed and returned a proxy card, submitting a new proxy card with a later date and returning it to ASBB prior to the vote at the special meeting; (iii) submitting timely written notice of revocation to our Corporate Secretary, at ASB Bancorp, Inc., 11 Church Street, Asheville, North Carolina 28801, at any time prior to the vote at the

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special meeting; or (iv) attending the special meeting in person and voting your shares at the special meeting. Attendance at the ASBB special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by ASBB after the vote will not affect the vote.

If you hold your shares of ASBB common stock in “street name” through a bank or broker, you should contact your bank or broker to change your vote or revoke your proxy. If you own shares of ASBB common stock indirectly through the ESOP, the 401(k) Plan, or the ASB Bancorp, Inc. 2012 Equity Incentive Plan, you should contact the plan trustees to change your vote or revoke your proxy.

Q:

What information should I consider?

A:

We encourage you to read carefully this entire document and the documents incorporated by reference herein. Among other disclosures, you should review the factors considered by ASBB’s Board of Directors discussed in “Proposal No. 1 — The Merger — Background of the Merger” beginning on page 33 and “Proposal No. 1 — The Merger — ASBB’s Reasons for the Merger and Recommendation of the ASBB Board of Directors” beginning on page 37.

Q:

What are the tax consequences of the merger to me?

A:

We expect that the exchange of shares of ASBB common stock for First Bancorp common stock by ASBB shareholders generally will be tax-free to you for federal income tax purposes. However, you will have to pay taxes at either capital gains or ordinary income rates, depending upon individual circumstances, on any cash received in exchange for your shares of ASBB common stock, including cash received in lieu of fractional shares of First Bancorp common stock. To review the tax consequences to ASBB shareholders in greater detail, see “Proposal No. 1 — The Merger — Material U.S. Federal Income Tax Consequences and Opinion of Tax Counsel” beginning on page 74. Your tax consequences will depend on your personal situation. You should consult your tax adviser for a full understanding of the tax consequences of the merger to you.

Q:

Are ASBB shareholders entitled to any appraisal rights or dissenters’ rights?

A:

No, ASBB shareholders are not entitled to any appraisal rights or dissenters’ rights. For further information, see “Proposal No. 1 — The Merger — No Dissenters’ Rights in the Merger” beginning on page 73.

Q:

Should I send in my stock certificates now?

A:

No. After the merger is completed, you will receive written instructions from First Bancorp for exchanging your ASBB common stock certificates for shares of First Bancorp common stock and/or cash.

Q:

Whom should I call with questions?

A:

You should call Kirby A. Tyndall, Chief Financial Officer, ASB Bancorp, Inc., at 828-254-7411, or ASBB’s proxy solicitor, Regan & Associates, Inc., 505 Eighth Avenue, Suite 800, New York, NY 10018, or 800-737-3426.

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SUMMARY

This summary highlights material information from these materials regarding the proposed merger. For a more complete description of the terms of the proposed merger, you should carefully read this entire document and the documents incorporated by reference into this document. The Agreement and Plan of Merger and Reorganization, which is the legal document that governs the proposed merger, is attached as Appendix A to these materials. In addition, the sections entitled “Where You Can Find More Information,” in the forepart of this document and “Incorporation of Certain Documents By Reference” on page 83, contain references to additional sources of information about First Bancorp and ASBB.

The Companies (see page 79 for First Bancorp and page 80 for ASBB)

First Bancorp

300 SW Broad Street

Southern Pines, North Carolina 28387

(910) 246-2500

First Bancorp is the fifth largest bank holding company headquartered in North Carolina. At March 31, 2017, First Bancorp had total consolidated assets of \$4.4 billion, total loans of \$3.3 billion, total deposits of \$3.6 billion and shareholders' equity of \$489 million. First Bancorp conducts substantially all of its operations through its wholly-owned North Carolina bank subsidiary, First Bank, which as of March 31, 2017, operated 95 branches covering a geographical area from Florence, South Carolina to the southeast, to Wilmington, North Carolina to the east, to Kill Devil Hills, North Carolina to the northeast, to Mayodan, North Carolina to the north, and to Asheville, North Carolina to the west.

First Bank engages in a full range of banking activities, with the acceptance of deposits and the making of loans being its most basic activities. First Bank offers deposit products such as checking, savings, and money market accounts, as well as time deposits, including various types of certificates of deposits (CDs) and individual retirement accounts (IRAs). First Bank provides loans for a wide range of consumer and commercial purposes, including loans for business, agriculture, real estate, personal uses, home improvement and automobiles. First Bank also offers credit cards, debit cards, letters of credit, safe deposit box rentals and electronic funds transfer services, including wire transfers. In addition, First Bank offers Internet banking, mobile banking, cash management and bank-by-phone capabilities to its customers, and is affiliated with ATM networks that give its customers access to 67,000 ATMs, with no surcharge fee. First Bank also offers a mobile check deposit feature for its mobile banking customers that allows them to securely deposit checks via their smartphone. For its business customers, First Bank offers remote deposit capture, which provides them with a method to electronically transmit checks received from customers into their bank account without having to visit a branch. First Bank is a member of the Certificate of Deposit Account Registry Service, which gives its customers the ability to obtain FDIC insurance on deposits of up to \$50 million, while continuing to work directly with their local First Bank branch.

First Bank was organized in 1934 and began banking operations in 1935 as Bank of Montgomery, named after the county in which it originally operated. First Bancorp was incorporated in North Carolina on December 8, 1983, as Montgomery Bancorp, for the purpose of acquiring 100% of the outstanding common stock of Bank of Montgomery through a stock-for-stock exchange. In 1985, Bank of Montgomery changed its name to First Bank, and in 1986, Montgomery Bancorp changed its name to First Bancorp to conform to the name of its banking subsidiary, First Bank. Until September 2013, First Bank's main office was situated in Troy, North Carolina, located in the center of Montgomery County. In September 2013, First Bancorp and First Bank moved their main offices approximately 45 miles to Southern Pines, North Carolina. First Bancorp's and First Bank's principal executive offices are located at 300 SW Broad Street, Southern Pines, North Carolina 28387, and their telephone number is (910) 246-2500. First Bank's website is located at <http://www.localfirstbank.com>. Information on First Bank's website is not incorporated into this document by reference and is not a part hereof.

For a complete description of First Bancorp's business, financial condition, results of operations and other important information, please refer to First Bancorp's filings with the SEC that are incorporated by

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reference into this document, including its Annual Report on Form 10-K for the year ended December 31, 2016 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. For instructions on how to find copies of these documents, see “Where You Can Find More Information.”

ASB Bancorp, Inc.

11 Church Street

Asheville, North Carolina 28801

(828) 254-7411

ASBB is the 18th largest bank holding company headquartered in North Carolina. At March 31, 2017, ASBB had total consolidated assets of \$803.5 million, total loans of \$605.8 million, total deposits of \$682.1 million and shareholders' equity of \$93.7 million. ASBB conducts substantially all of its operations through its wholly-owned North Carolina savings bank subsidiary, Asheville Savings Bank, S.S.B. (“Asheville Savings Bank” or the “Bank”), which as of March 31, 2017, operated 13 branches located in Buncombe, Madison, McDowell, Henderson and Transylvania counties in Western North Carolina.

ASBB was incorporated as a North Carolina corporation in May 2011 to be the holding company for Asheville Savings Bank upon the completion of the Bank's conversion from the mutual to the stock form of ownership on October 11, 2011. Before the completion of the conversion, ASBB did not engage in any significant activities other than organizational activities. ASBB's principal business activity is the ownership of the outstanding shares of common stock of Asheville Savings Bank. ASBB does not own or lease any real property, but instead uses the premises, equipment and other property of Asheville Savings Bank, with the payment of appropriate rental fees, as required by applicable laws and regulations, under the terms of an expense allocation agreement entered into with Asheville Savings Bank.

Founded in 1936, Asheville Savings Bank is a North Carolina chartered savings bank, headquartered in Asheville, North Carolina. Asheville Savings Bank operates as a community-oriented financial institution offering traditional financial services to consumers and businesses in its primary market area in Western North Carolina. Asheville Savings Bank attracts deposits from the general public and uses those funds to originate primarily one-to-four family residential mortgage loans and commercial real estate loans, and, to a lesser extent, home equity loans and lines of credit, consumer loans, construction and land development loans, and commercial and industrial loans. Asheville Savings Bank conducts its lending and deposit activities primarily with individuals and small businesses in its primary market area.

For a complete description of ASBB's business, financial condition, results of operations and other important information, please refer to ASBB's filings with the SEC that are incorporated by reference in this proxy statement/prospectus, including its Annual Report on Form 10-K for the year ended December 31, 2016 and its quarterly report on Form 10-Q for the quarter ended March 31, 2017. For instructions on how to find copies of these documents, see “Where You Can Find More Information.”

The Merger Agreement (see page 55)

If ASBB shareholders approve the merger agreement, subject to receipt of the required regulatory approvals and satisfaction of the other closing conditions, ASBB will be merged with and into First Bancorp. ASBB shareholders may elect to receive shares of First Bancorp common stock or cash (or a combination of both stock and cash) in exchange for each of their shares of ASBB common stock in the merger on the following basis:

- (i)
1.44 shares of First Bancorp common stock for each share of ASBB common stock; or
- (ii)
\$41.90 in cash, without interest, for each share of ASBB common stock; or
- (iii)
a combination of (i) and (ii).

provided, that the total merger consideration will be prorated as necessary to ensure that 10% of the total outstanding shares of ASBB common stock will be exchanged for cash and 90% of the total outstanding shares of ASBB common

stock will be exchanged for shares of First Bancorp common stock; provided further, that the number of shares of First Bancorp common stock to be issued may not exceed 19.9% of

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the number of shares of First Bancorp common stock outstanding immediately before the effective time of the merger, and to the extent the total number of shares of First Bancorp common stock would exceed 19.9%, the foregoing proration of the total merger consideration will be appropriately adjusted.

ASBB shareholders may elect any combination of stock and/or cash for their ASBB shares; however, if the aggregate cash elections are greater than the cash election maximum, all such cash elections will be subject to proration, and, if the aggregate stock elections are greater than the stock election maximum, all such stock elections will be subject to proration.

ASBB shareholders will also receive a cash payment, without interest, for the value of any fraction of a share of First Bancorp common stock that they would otherwise be entitled to receive in an amount equal to such fractional part of a share of First Bancorp common stock multiplied by the average price of First Bancorp common stock on The NASDAQ Global Select Market during the 20 consecutive full trading days ending on the trading day immediately prior to the later of (i) the effective date of the last required consent of any regulatory authority having authority over and approving or exempting the merger and (ii) the date of the receipt of the approval of the ASBB shareholders to the merger.

Following the merger, ASBB's subsidiary, Asheville Savings Bank, will be merged with and into First Bank, First Bancorp's wholly-owned North Carolina bank subsidiary, and First Bank will be the surviving bank.

The merger agreement is attached as Appendix A and is incorporated into this proxy statement/ prospectus by reference. We encourage you to read the merger agreement carefully as it is the legal document that governs the merger.

ASBB's Reasons for the Merger and Recommendation of the ASBB Board of Directors (see page 37)

The Board of Directors of ASBB unanimously supports the merger and believes that it is in the best interests of ASBB and its shareholders. The Board of Directors of ASBB believes that the merger will allow ASBB to better serve its customers and markets and that a merger with a financial institution with greater size, expanded product offerings and a more liquid stock would better maximize the long-term value for ASBB shareholders. The Board of Directors believes that the terms of the merger are fair to and in the best interests of ASBB and its shareholders.

Accounting Treatment (see page 73)

The merger will be accounted for as a purchase of a business for financial reporting and accounting purposes under generally accepted accounting principles in the United States.

Conditions, Termination, and Effective Date (see pages 55 and 57)

The merger will not occur unless certain conditions are met, and First Bancorp or ASBB can terminate the merger agreement if specified events occur or fail to occur.

The merger and the bank merger must be approved by the Board of Governors of the Federal Reserve System and the North Carolina Commissioner of Banks. As of the date of this proxy statement/prospectus, First Bancorp has filed the applications and notifications to obtain the required regulatory approvals.

The closing of the merger will not occur until after the merger is approved by the foregoing regulators and by the ASBB shareholders, the other conditions to closing have been satisfied, and the articles of merger are filed as required under North Carolina law.

Material U.S. Federal Income Tax Consequences (see page 74)

ASBB's shareholders generally will not recognize gain or loss for U.S. federal income tax purposes on shares of First Bancorp common stock received in the merger in exchange for surrendered shares of ASBB common stock. ASBB shareholders will be taxed, however, on any cash consideration they receive in the

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merger, including any cash they receive in lieu of fractional shares of First Bancorp common stock. Tax matters are complicated, and the tax consequences of the merger may vary among ASBB shareholders. We urge each ASBB shareholder to contact his, her or its own tax advisor to fully understand the tax implications of the merger.

Opinion of ASBB's Financial Advisor (see page 40 and Appendix C)

In connection with the merger, ASBB's financial advisor, Keefe, Bruyette & Woods, Inc. ("KBW"), delivered a written opinion, dated April 30, 2017, to the ASBB Board of Directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of ASBB common stock of the merger consideration in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Appendix C to this document. The opinion was for the information of, and was directed to, the ASBB Board of Directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of ASBB to engage in the merger or enter into the merger agreement or constitute a recommendation to the ASBB Board of Directors in connection with the merger, and it does not constitute a recommendation to any holder of ASBB common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter (including, with respect to holders of ASBB common stock, what election any such shareholder should make with respect to the cash consideration, the stock consideration or any combination thereof).

Market Price and Dividend Information

First Bancorp's common stock trades on The NASDAQ Global Select Market under the ticker symbol "FBNC". ASBB's common stock trades on The NASDAQ Global Market under the ticker symbol "ASBB". The following table sets forth, for the periods indicated, the high, low and closing sales prices per share of First Bancorp's and ASBB's common stock as quoted on NASDAQ. First Bancorp paid quarterly dividends as shown below.

	First Bancorp Common Stock				ASBB Common Stock			
	High	Low	Close	Dividend	High	Low	Close	Dividend
2017								
Third Quarter (through July 26, 2017)	\$ 32.99	\$ 30.45	\$ 32.07	\$ —	\$ 46.00	\$ 43.05	\$ 45.50	\$ —
Second Quarter	32.27	27.50	31.26	0.08	44.50	34.15	43.95	—
First Quarter	31.31	26.47	29.29	0.08	37.35	29.14	34.00	—
2016								
Fourth Quarter	28.49	19.18	27.14	0.08	29.75	25.75	29.75	—
Third Quarter	20.33	17.42	19.79	0.08	26.45	24.62	26.25	—
Second Quarter	21.94	17.15	17.58	0.08	26.50	24.07	24.53	—
First Quarter	19.59	17.83	18.85	0.08	26.00	24.24	24.24	—
2015								
Fourth Quarter	19.92	16.01	18.74	0.08	27.00	24.66	25.96	—
Third Quarter	17.86	16.01	17.00	0.08	25.80	21.67	25.05	—
Second Quarter	17.82	15.18	16.68	0.08	21.99	20.70	21.66	—
First Quarter	18.64	15.00	17.56	0.08	21.42	19.43	20.50	—

The closing sales price of First Bancorp common stock as of May 1, 2017, the last trading day before the merger agreement was announced, was \$30.25. The closing sales price of First Bancorp common stock as of July 26, 2017, the most recent date feasible for inclusion in these materials, was \$32.07. The closing sales price of ASBB common stock as of May 1, 2017, the last trading day before the merger agreement was announced, was \$35.04. The closing sales price of ASBB common stock as of July 26, 2017, the most recent date feasible for inclusion in these materials, was \$45.50.

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Because the exchange ratio is fixed and because the market price of First Bancorp common stock is subject to fluctuation, the market value of the shares of First Bancorp common stock that ASBB shareholders may receive in the merger may increase or decrease prior to and following the merger. ASBB shareholders are urged to obtain current market quotations for First Bancorp common stock, which are available at www.nasdaq.com.

The value of one share of ASBB common stock exchanged for cash is fixed at \$41.90.

As of July 19, 2017, there were approximately 414 record shareholders of ASBB's common stock.

First Bancorp intends to continue paying cash dividends, but the amount and frequency of cash dividends, if any, will be determined by First Bancorp's Board of Directors after consideration of certain non-financial and financial factors including earnings, capital requirements, and the financial condition of First Bancorp, and will depend on cash dividends paid to it by its subsidiary bank. The ability of First Bancorp's subsidiary bank to pay dividends to it is restricted by certain regulatory requirements.

No cash dividends were declared or paid on ASBB's common stock in 2015, 2016, or the first quarter of 2017, and ASBB does not currently anticipate that any dividends will be declared or paid on its common stock in the near future.

Differences in Legal Rights between Shareholders of ASBB and First Bancorp (see page 69)

Following the merger, you will no longer be an ASBB shareholder. If you receive shares of First Bancorp common stock in the merger, you will become a First Bancorp shareholder. As such, your rights as a shareholder will no longer be governed by ASBB's articles of incorporation and bylaws. As a First Bancorp shareholder, your rights as a shareholder will be governed by First Bancorp's articles of incorporation and bylaws. Your former rights as an ASBB shareholder and your new rights as a First Bancorp shareholder are different in certain ways, including the following:

- The bylaws of ASBB set forth different requirements for calling special meetings of shareholders than do the bylaws of First Bancorp.

- The bylaws of ASBB set forth different advance notice requirements for shareholder proposals than do the bylaws of First Bancorp.

- The bylaws of First Bancorp provide that the number of directors may range between seven to 25 directors while the bylaws of ASBB provide that the number of directors may range between five to 15 directors.

- The bylaws of ASBB provide for a staggered board of directors, so that approximately one-third of the Board of Directors of ASBB is elected each year at the annual meeting of shareholders. The members of the Board of Directors of First Bancorp are elected annually to serve one-year terms.

- The articles of incorporation of ASBB set forth different requirements for removal of directors than do the bylaws of First Bancorp.

- The articles of incorporation of ASBB require supermajority shareholder approval of the holders of common stock for certain business transactions and under certain circumstances, while the articles of incorporation of First Bancorp only provide a supermajority requirement as it pertains to certain voting rights of holders of preferred stock.

- The articles of incorporation and bylaws of ASBB require supermajority shareholder approval of the holders of common stock for certain amendments to ASBB's articles and bylaws, while the articles of incorporation of First Bancorp do not have any supermajority requirements for amendments to First Bancorp's articles or bylaws.

- The articles of incorporation of First Bancorp allow holders of First Bancorp common stock to choose to elect directors by cumulative voting. The articles of incorporation of ASBB do not provide for cumulative voting in the election of directors.

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Interests of Directors and Officers of ASBB and Asheville Savings Bank in the Merger (see page 63)

The directors and officers of ASBB have interests in the merger in addition to their interests as shareholders generally, including the following:

- At the effective time of the merger, any unvested options to purchase shares of ASBB common stock will accelerate under applicable change in control provisions in the ASB Bancorp, Inc. 2012 Equity Incentive Plan, and each outstanding and unexercised stock option will be cancelled in exchange for the right to receive a single lump sum cash payment equal to the product obtained by multiplying (i) the number of shares of ASBB common stock subject to such option, by (ii) \$41.90 less the exercise price per share of such option, less any applicable withholding taxes.

- At the effective time of the merger, vesting of restricted stock awards previously granted to directors and executives will accelerate under applicable change in control provisions in the ASB Bancorp, Inc. 2012 Equity Incentive Plan.

- Following the closing of the merger, Ms. Suzanne S. DeFerie, President and Chief Executive Officer of ASBB and Asheville Savings Bank, will be employed with First Bancorp and First Bank as the Regional President – Asheville Region pursuant to an employment agreement.

- Following the closing of the merger, Ms. DeFerie and one additional representative of the ASBB Board of Directors, as identified by First Bancorp, will be appointed to the Boards of Directors of First Bancorp and First Bank.

- ASBB and Asheville Savings Bank previously entered into employment agreements with its named executive officers, which entitle each of them to certain payments and benefits upon a qualifying termination in connection with a change in control such as the merger.

- First Bancorp will indemnify and provide liability insurance to the present directors and officers of ASBB and Asheville Savings Bank for a period of six years following the closing of the merger with respect to acts or omissions occurring prior to merger.

Subject to the assumptions and limitations discussed in this section and in the proxy statement/ prospectus under the section “Interests of Directors and Officers of ASBB and Asheville Savings Bank in the Merger — Merger-Related Compensation for ASBB’s Named Executive Officers,” and assuming the effective time of the merger were to occur on September 30, 2017 and a per share price of ASBB common stock of \$41.26, the average closing price per share over the first five business days following the announcement of the merger agreement, the aggregate value of the benefits and amounts that will be received by ASBB’s directors and executive officers as a consequence of the merger is up to approximately \$7.0 million. Of this amount, each of ASBB’s executive officers would be entitled to receive the following approximate amounts: Ms. DeFerie — \$2,702,347; Mr. Tyndall — \$1,543,864; Mr. Kozak — \$1,548,218; and Ms. Bailey — \$1,177,189. For a more complete description of these interests, see the section of this proxy statement/prospectus entitled “Compensation Arrangements for ASBB Executive Officers in Connection with the Merger” beginning on page 63.

No Dissenters’ Rights in the Merger (see page 73)

ASBB shareholders are not entitled to any appraisal or dissenters’ rights under North Carolina law in connection with the merger because ASBB common stock was listed on The NASDAQ Global Market on the record date for the special meeting.

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Special Meeting of ASBB Shareholders (see page 30)

Date, Time, and Place

The special meeting of ASBB shareholders will be held on September 19, 2017, at 10:30 a.m., local time, at The Collider, 1 Haywood Street, 4th Floor, Asheville, North Carolina 28801. At the special meeting, ASBB shareholders will be asked to:

- approve the merger agreement and the transactions contemplated by the merger agreement, including the merger;
- approve, on a non-binding advisory basis, the compensation that certain executive officers of ASBB will receive under existing agreements or arrangements with ASBB in connection with the merger; and
- approve the adjournment of the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement and the merger.

Record Date and Shares Entitled to Vote

You are entitled to vote at the special meeting of ASBB shareholders if you owned shares of ASBB common stock as of the close of business on July 19, 2017. As of this date, 3,788,025 shares of ASBB common stock were outstanding and entitled to vote at the special meeting.

Support Agreements

As of the record date, directors and executive officers of ASBB and their affiliates beneficially owned and were entitled to vote approximately 600,957 shares of ASBB common stock, representing approximately 15.9% of the shares of ASBB common stock outstanding on that date. All of the directors and executive officers of ASBB have agreed to vote their shares in favor of the merger agreement and not sell or otherwise dispose their shares, except with the prior approval of First Bancorp; provided that such support agreements terminate at the effective time of the merger, in the event that the merger agreement is terminated in accordance with its terms or in the event the ASBB Board of Directors withdraws its recommendation in favor of the merger or approves or recommends an acquisition proposal from another party. One of the support agreements additionally provides for earlier termination upon the approval of the merger agreement at the special meeting.

Solicitation of Proxies

ASBB is soliciting your proxy in conjunction with the merger. ASBB will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, ASBB will request that banks, brokers, plan trustees and other record holders send proxies and proxy material to the beneficial owners of ASBB common stock and secure their voting instructions. ASBB will reimburse the record holders for their reasonable expenses in taking those actions. Additionally, directors, officers and other employees of ASBB may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities. ASBB has also retained Regan & Associates, Inc. to assist in the solicitation of proxies, which firm will, by agreement, receive compensation of \$9,000, plus reimbursement of expenses, for these services.

Vote Required

As of the record date, 3,788,025 shares of ASBB common stock were issued and outstanding, each of which is entitled to one vote per share. ASBB's articles of incorporation provide that record holders of ASBB common stock, other than the ESOP and other ASBB employee benefit plans, who beneficially own, either directly or indirectly, in excess of 10% of the ASBB's outstanding shares are not entitled to vote shares held in excess of the 10% limit. Abstentions from voting and broker non-votes will be included in determining whether a quorum is present and will have the effect of a vote against the merger agreement.

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Approval by holders of a majority of the shares of ASBB common stock outstanding on the record date is required to approve the merger agreement. Your failure to vote your shares (including your failure to instruct your broker to vote your shares) or your abstaining from voting will have the same effect as a vote “AGAINST” the merger agreement. The ASBB Board of Directors has unanimously approved the merger agreement and unanimously recommends that ASBB shareholders vote “FOR” the approval of the merger agreement.

As referenced above, all of the directors and executive officers of ASBB have agreed to vote their shares in favor of the merger agreement and not sell or otherwise dispose their shares, except with the prior approval of First Bancorp; provided that such support agreements terminate at the effective time of the merger, in the event that the merger agreement is terminated in accordance with its terms or in the event the ASBB Board of Directors withdraws its recommendation in favor of the merger or approves or recommends an acquisition proposal from another party. One of the support agreements additionally provides for earlier termination upon the approval of the merger agreement at the special meeting. As of the record date, ASBB’s directors and executive officers owned 600,957 shares, or 15.9%, of outstanding ASBB common stock (excluding shares underlying options).

The approval, on a non-binding advisory basis, of the proposal regarding compensation that certain executive officers of ASBB will receive under existing agreements or arrangements with ASBB in connection with the merger requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. The ASBB Board of Directors unanimously recommends that ASBB shareholders vote “FOR” the approval of the compensation payable under existing agreements that certain of its officers will receive from ASBB in connection with the merger.

Approval of the merger agreement and approval of the compensation payable under existing agreements that certain ASBB officers will receive in connection with the merger are subject to separate votes of the ASBB shareholders, and approval of the compensation is not a condition to completion of the merger.

The approval of the proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. The ASBB Board of Directors unanimously recommends that shareholders vote “FOR” this proposal.

TABLE OF CONTENTS**SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF FIRST BANCORP**

We are providing the following information to help you analyze the financial aspects of the merger. The following tables set forth summary historical operations and financial condition data and summary performance, asset quality and other information of First Bancorp at and for the periods indicated. You should read this data in conjunction with First Bancorp's consolidated financial statements and notes thereto incorporated herein by reference from First Bancorp's Annual Report on Form 10-K for the year ended December 31, 2016 and First Bancorp's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. Financial amounts as of and for the three months ended March 31, 2017 and 2016 are unaudited and are not necessarily indicative of the results of operations for the full year or any other interim period, and management of First Bancorp believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past years and for the three months ended March 31, 2017 and 2016 indicate results for any future period. Ratios for the three months ended March 31, 2017 and 2016 have been annualized, where appropriate.

	At and for the Three Months Ended March 31,		At and for the Years Ended December 31,			
	2017	2016	2016	2015	2014	2013
(in thousands, except per share data)						
STATEMENTS OF INCOME						
Interest income	\$ 36,468	\$ 32,063	\$ 130,987	\$ 126,655	\$ 139,832	\$ 147,511
Interest expense	2,172	1,868	7,607	6,908	8,223	10,985
Net interest income	34,296	30,195	123,380	119,747	131,609	136,526
Provision (reversal) for loan losses	723	258	(23)	(780)	10,195	30,616
Net interest income after provision for loan losses	33,573	29,937	123,403	120,527	121,414	105,910
Non interest income	9,809	5,002	25,551	18,764	14,368	23,489
Non interest expense	32,072	24,773	106,821	98,131	97,251	96,619
Net income before income taxes	11,310	10,166	42,133	41,160	38,531	32,780
Income tax expense (benefit)	3,755	3,329	14,624	14,126	13,535	12,081
Net income	7,555	6,837	27,509	27,034	24,996	20,699
Preferred stock dividends and discount accretion	—	58	175	603	868	895
Net income available to common shareholders	\$ 7,555	\$ 6,779	\$ 27,334	\$ 26,431	\$ 24,128	\$ 19,804

COMMON AND PER SHARE DATA

Net income (loss)
per common
share:

Basic	\$ 0.34	\$ 0.34	\$ 1.37	\$ 1.34	\$ 1.22	\$ 1.01
Diluted	0.34	0.33	1.33	1.30	1.19	0.98
Cash dividends declared per common share	0.08	0.08	0.32	0.32	0.32	0.32
Stated book value – common	19.85	17.24	17.66	16.96	16.08	15.30
Tangible book value – common	\$ 13.53	\$ 13.75	\$ 13.85	\$ 13.56	\$ 12.63	\$ 11.81
Outstanding common shares	24,663,241	19,865,779	20,844,505	19,747,509	19,709,881	19,679,659
Weighted average basic common shares	21,983,963	19,783,747	19,964,727	19,767,470	19,699,801	19,675,597
Weighted average diluted common shares	22,064,923	20,553,858	20,732,917	20,499,727	20,434,007	20,404,303
Dividend payout ratio – basic	23.53%	23.53%	23.36%	23.88%	26.23%	31.68%

PERIOD-END
BALANCES

Total assets	\$ 4,441,846	\$ 3,382,966	\$ 3,614,862	\$ 3,362,065	\$ 3,218,383	\$ 3,185,070
Investment securities – carrying value	347,997	395,625	329,042	320,224	336,705	223,142
Total loans	3,289,355	2,539,353	2,710,712	2,518,926	2,396,174	2,463,194
Deposits	3,629,170	2,826,821	2,947,353	2,811,285	2,695,906	2,751,019
Borrowings	290,403	186,394	271,394	186,394	116,394	46,394
Shareholders' equity	489,461	349,832	368,101	342,190	387,699	371,922

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	At and for the Three Months Ended March 31,		At and for the Years Ended December 31,			
	2017	2016	2016	2015	2014	2013
(in thousands, except per share data)						
AVERAGE BALANCES						
Total assets	\$ 3,856,589	\$ 3,332,492	\$ 3,422,267	\$ 3,230,302	\$ 3,219,915	\$ 3,208,458
Interest-earning assets	3,478,525	3,028,775	3,108,918	2,936,624	2,907,098	2,805,112
Investment securities – carrying value	339,305	336,216	348,069	348,630	221,732	229,969
Total loans	2,903,279	2,528,317	2,603,327	2,434,602	2,434,331	2,419,679
Deposits	3,152,778	2,775,391	2,827,513	2,687,381	2,723,758	2,779,032
Borrowings	244,864	186,394	209,659	149,792	99,380	46,394
Shareholders' equity	426,842	349,484	360,715	376,287	383,055	362,770
SELECT PERFORMANCE RATIOS						
Return on average assets	0.79%	0.82%	0.80%	0.82%	0.75%	0.62%
Return on average common equity	7.18%	7.97%	7.73%	8.04%	7.73%	6.78%
Net interest margin – tax-equivalent	4.07%	4.07%	4.03%	4.13%	4.58%	4.92%
CAPITAL RATIOS						
Shareholders' equity as a percentage of assets	11.02%	10.34%	10.18%	10.18%	12.05%	11.68%
Tangible common equity to tangible assets	7.79%	8.24%	8.16%	8.13%	7.90%	7.46%
Common equity Tier 1 to Tier 1 risk weighted assets	10.33%	11.35%	10.92%	11.22%	n/a	n/a
Tier 1 risk-based capital	11.85%	13.40%	12.49%	13.30%	16.35%	15.53%
Total risk-based capital	12.56%	14.45%	13.36%	14.45%	17.60%	16.79%
Tier 1 leverage	11.05%	10.40%	10.17%	10.38%	11.61%	11.18%
ASSET QUALITY INFORMATION						
Nonperforming assets – Total	\$ 60,032	\$ 82,261	\$ 59,138	\$ 89,293	\$ 114,011	\$ 152,588
Nonperforming assets – Non-covered	60,032	71,563	59,138	77,193	95,330	81,965

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Nonperforming assets to total assets	1.35%	2.43%	1.64%	2.66%	3.54%	4.79%
Nonperforming assets to total assets – non-covered	1.35%	2.18%	1.64%	2.37%	3.09%	2.78%
Net loan charge-offs to average total loans	0.13%	0.35%	0.14%	0.46%	0.74%	1.18%
Net loan charge-offs to average total loans – non-covered	0.13%	0.52%	0.14%	0.58%	0.65%	0.72%
Allowance for loan losses to total loans	0.72%	1.05%	0.88%	1.13%	1.70%	1.97%
Allowance for loan losses to total loans – non-covered	0.72%	1.03%	0.88%	1.11%	1.69%	1.96%
OTHER DATA						
Number of full-service branches	95	88	88	88	87	96
Number of full-time equivalent employees	1,009	814	827	812	798	864

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TABLE OF CONTENTS**SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF ASBB**

We are providing the following information to help you analyze the financial aspects of the merger. The following tables set forth summary historical operations and financial condition data and summary performance, asset quality and other information of ASBB at and for the periods indicated. You should read this data in conjunction with ASBB's Consolidated Financial Statements and notes thereto incorporated herein by reference from ASBB's Annual Report on Form 10-K for the year ended December 31, 2016 and ASBB's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. Financial amounts as of and for the three months ended March 31, 2017 and 2016 are unaudited and are not necessarily indicative of the results of operations for the full year or any other interim period, and management of ASBB believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past years and for the three months ended March 31, 2017 and 2016 indicate results for any future period. Ratios for the three months ended March 31, 2017 and 2016 have been annualized, where appropriate.

	At and for the Three Months Ended March 31,		At and for the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
(in thousands, except per share data)							
STATEMENTS OF INCOME							
Interest income	\$ 6,923	\$ 6,677	\$ 27,348	\$ 25,435	\$ 23,502	\$ 22,952	\$ 22,952
Interest expense	816	844	3,444	3,485	3,536	4,194	6,194
Net interest income	6,107	5,833	23,904	21,950	19,966	18,758	16,764
Provision (reversal) for loan losses	57	399	548	361	(998)	(681)	1,000
Net interest income after provision for loan losses	6,050	5,434	23,356	21,589	20,964	19,439	15,764
Noninterest income	1,946	2,049	8,756	7,509	6,333	8,034	9,000
Noninterest expense	5,588	5,761	30,450	23,540	23,548	25,394	23,548
Net income before income taxes	2,408	1,722	1,662	5,558	3,749	2,079	1,216
Income tax expense (benefit)	574	601	444	1,983	1,260	625	300
Net income	1,834	1,121	1,218	3,575	2,489	1,454	816
COMMON AND PER SHARE DATA							
Net income per common share:							
Basic	\$ 0.53	\$ 0.31	\$ 0.35	\$ 0.92	\$ 0.60	\$ 0.31	\$ 0.31
Diluted	0.50	0.30	0.33	0.89	0.59	0.31	0.30

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Cash dividends declared per common share	—	—	—	—	—	—	—
Stated book value – common	24.75	23.10	24.06	22.50	21.56	20.06	19.00
Tangible book value – common	\$ 24.75	\$ 23.10	\$ 24.06	\$ 22.50	\$ 21.56	\$ 20.06	\$ 19.00
Outstanding common shares	3,788,025	3,985,475	3,788,025	3,985,475	4,378,411	5,040,057	5,040,057
Weighted average basic common shares	3,452,400	3,578,367	3,505,387	3,884,691	4,150,706	4,691,470	5,040,057
Weighted average diluted common shares	3,697,194	3,720,127	3,659,575	4,004,385	4,197,689	4,698,997	5,040,057
Dividend payout ratio – basic	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PERIOD-END BALANCES							
Total assets	\$ 803,499	\$ 783,523	\$ 795,823	\$ 782,853	\$ 760,040	\$ 733,026	\$ 710,000
Investment securities – carrying value	101,106	122,374	103,581	141,364	145,461	189,570	240,000
Total loans	605,826	595,832	603,582	576,087	521,820	449,234	380,000
Deposits	682,069	628,415	647,623	630,904	603,379	572,786	550,000
Borrowings	20,000	50,000	50,000	50,000	50,000	50,000	50,000
Shareholders' equity	93,740	92,064	91,137	89,682	94,397	101,088	100,000
AVERAGE BALANCES							
Total assets	\$ 799,954	\$ 776,623	\$ 790,831	\$ 781,974	\$ 747,491	\$ 751,406	\$ 730,000
Interest-earning assets	759,148	746,263	755,451	746,531	708,733	706,496	700,000
Investment securities – carrying value	102,438	125,753	115,392	137,424	156,062	231,396	240,000
Total loans	611,614	593,341	601,654	557,221	476,782	421,415	400,000
Deposits	655,719	622,630	636,800	621,741	588,511	582,858	550,000
Borrowings	44,444	50,000	50,000	50,000	50,000	50,000	50,000
Shareholders' equity	92,821	91,414	92,102	96,308	98,981	105,941	100,000

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	At and for the Three Months Ended March 31,		At and for the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
(in thousands, except per share data)							
SELECT PERFORMANCE RATIOS							
Return on average assets	0.93%	0.58%	0.15%	0.46%	0.33%	0.19%	0.11%
Return on average common equity	8.01%	4.93%	1.32%	3.71%	2.51%	1.37%	0.74%
Net interest margin – tax-equivalent	3.33%	3.21%	3.23%	3.00%	2.87%	2.72%	2.50%
CAPITAL RATIOS							
Shareholders' equity as a percentage of assets	11.67%	11.75%	11.45%	11.46%	12.42%	13.79%	14.88%
Tangible common equity to tangible assets	11.67%	11.75%	11.45%	11.46%	12.42%	13.79%	14.88%
Common equity Tier 1 to Tier 1 risk weighted assets	15.97%	16.65%	15.54%	16.66%	n/a	n/a	n/a
Tier 1 risk-based capital	15.97%	16.65%	15.54%	16.66%	19.83%	24.14%	27.72%
Total risk-based capital	17.07%	17.81%	16.63%	17.77%	21.01%	25.39%	28.98%
Tier 1 leverage	11.89%	12.33%	11.58%	11.87%	13.17%	14.35%	14.69%
ASSET QUALITY INFORMATION							
Nonperforming assets	\$ 10,268	\$ 12,472	\$ 10,814	\$ 12,813	\$ 16,345	\$ 20,727	\$ 25,683
Nonperforming assets to total assets	1.28%	1.59%	1.36%	1.64%	2.15%	2.83%	3.43%
Net loan charge-offs to average total loans	0.02%	-0.02%	0.05%	0.00%	0.08%	0.12%	0.91%
Allowance for loan losses to total loans	1.08%	1.13%	1.08%	1.09%	1.14%	1.63%	2.20%
OTHER DATA							
Number of full-service branches	13	13	13	13	13	13	13
Number of full-time equivalent employees	153	153	155	152	160	173	168

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information and explanatory notes show the impact on the historical financial positions and results of operations of First Bancorp and ASBB and have been prepared to illustrate the effects of the merger involving First Bancorp and ASBB under the acquisition method of accounting with First Bancorp treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of ASBB, as of the effective date of the merger, will be recorded by First Bancorp at their respective fair values and the excess of the merger consideration over the fair value of ASBB's net assets will be allocated to goodwill. The unaudited pro forma condensed combined income statements for the fiscal year ended December 31, 2016 and the three months ended March 31, 2017 are presented as if the merger had occurred on January 1, 2016. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined company had the companies actually been combined at the beginning of the periods presented. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed.

The unaudited pro forma condensed combined financial information is provided for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial information and related adjustments required management to make certain assumptions and estimates.

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Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2017

	First Bancorp (\$ in thousands)	ASBB	Pro Forma Adjustments	Notes	Pro Forma Combined
ASSETS					
Cash & due from banks, noninterest-bearing	\$ 81,514	10,742	—		92,256
Due from banks, interest-bearing	323,646	49,709	(35,050)	1	338,305
Total cash and cash equivalents	405,160	60,451	(35,050)		430,561
Securities available for sale	214,743	97,463	—		312,206
Securities held to maturity	133,254	3,643	195	2	137,092
Loans and leases held for sale	11,661	4,238	—		15,899
Loans	3,289,355	605,826	(5,300)	3	3,889,881
Allowance for loan losses	(23,546)	(6,573)	6,573	4	(23,546)
Net loans	3,265,809	599,253	1,273		3,866,335
Premises and equipment	97,142	10,997	8,624	5	116,763
Other real estate	12,789	5,055	(1,800)	6	16,044
Goodwill	142,872	—	68,140	7	211,012
Other intangible assets	12,811	—	9,200	8	22,011
Bank-owned life insurance	86,923	10,271	—		97,194
Other	58,682	12,128	—		70,810
Total assets	\$ 4,441,846	803,499	50,582		5,295,927
LIABILITIES					
Deposits: Demand – noninterest-bearing	\$ 958,175	133,201	—		1,091,376
Interest-bearing	2,670,995	548,868	(1,280)	9	3,218,583
Total deposits	3,629,170	682,069	(1,280)		4,309,959
Borrowings	236,752	20,708	394	10	257,854
Subordinated notes and debentures	53,651	—	—		53,651
Other liabilities	32,812	6,982	6,791	11	46,585
Total liabilities	3,952,385	709,759	5,905		4,668,049
SHAREHOLDERS' EQUITY					
Common stock	262,180	38	143,754	12	405,972
Additional paid-in-capital	—	19,976	(19,976)	13	—
Retained earnings	231,503	79,140	(84,515)	14	226,128
Stock in directors' rabbi trust assumed in acquisition	(7,688)	(2,015)	—		(9,703)
Directors' deferred fee obligation	7,688	2,015	—		9,703
Unearned Employee Stock Ownership Plan (ESOP) shares	—	(2,747)	2,747	15	—
Unearned equity incentive plan shares	—	(661)	661	16	—

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Stock-based deferral plan shares	—	(380)	380	16	—
Accumulated other comprehensive income	(4,222)	(1,626)	1,626	16	(4,222)
Total shareholders' equity	489,461	93,740	44,677		627,878
Total liabilities and shareholders' equity	\$ 4,441,846	803,499	50,582		5,295,927

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Unaudited Pro Forma Condensed Combined Statement of Income
For the Three Months Ended March 31, 2017

	First Bancorp	ASBB	Pro Forma Adjustments	Notes	First Bancorp and ASBB — Pro Forma Combined
(\$ in thousands, except per share data)					
Interest income					
Interest and fees on loans	\$ 33,703	\$ 6,294	\$ —		\$ 39,997
Interest on investment securities	2,267	520	(8)	17	\$ 2,779
Other, principally overnight investments	498	109	(191)	18	416
Total interest income	36,468	6,923	(199)		43,192
Interest expense					
Savings, checking and money market accounts	522	144	—		666
Time deposits	880	246	44	19	1,170
Borrowings	770	426	(48)	20	1,148
Total interest expense	2,172	816	(4)		2,984
Net interest income	34,296	6,107	(195)		40,208
Provision for loan losses	723	57	—		780
Net interest income after provision (reversal) for loan losses	33,573	6,050	(195)		39,428
Noninterest income					
Service charges on deposit accounts	2,614	478	—		3,092
Other charges, commissions and fees	3,173	785	—		3,958
Mortgage banking income	768	493	—		1,261
Commissions from sales of insurance and financial products	840	60	—		900
SBA consulting fees	1,260	—	—		1,260
SBA loan sale gains	622	—	—		622
Bank-owned life insurance income	508	87	—		595
Securities gains (losses)	(235)	27	—		(208)
Foreclosed property gains (losses)	25	16	—		41
Other gain (losses)	234	—	—		234
Total noninterest income	9,809	1,946	—		11,755
Noninterest expenses					
Salaries and employee benefits	17,671	3,231	—		20,902

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Occupancy and equipment expense	3,242	430	—		3,672
Merger and acquisition expense	2,373	—	—		2,373
Intangibles amortization	576	—	418	21	994
Other	8,210	1,927	—		10,137
Total noninterest expenses	32,072	5,588	418		38,078
Income before income taxes	11,310	2,408	(613)		13,105
Income taxes	3,755	574	(227)		4,102
Net income	7,555	1,834	(386)		9,003
Preferred stock dividends	—	—	—		—
Net income available to common shareholders	\$ 7,555	\$ 1,834	\$ (386)		\$ 9,003
Basic earnings per share	\$ 0.34	\$ 0.53			\$ 0.33
Diluted earnings per share	\$ 0.34	\$ 0.50			\$ 0.33
Weighted average common shares – basic	21,983,963	3,452,400	1,456,880	22	26,893,243
Weighted average common shares – diluted	22,064,923	3,697,194	1,212,086	22	26,974,203

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Unaudited Pro Forma Condensed Combined Statement of Income
For the Year Ended December 31, 2016

	First Bancorp	ASBB	Pro Forma Adjustments	Notes	First Bancorp and ASBB — Pro Forma Combined
(\$ in thousands, except per share data)					
Interest income					
Interest and fees on loans	\$ 121,322	\$ 24,769	\$ —		\$ 146,091
Interest on investment securities	8,782	2,263	(33)	17	11,012
Other, principally overnight investments	883	316	(762)	18	437
Total interest income	130,987	27,348	(795)		157,540
Interest expense					
Savings, checking and money market accounts	1,620	550	—		2,170
Time deposits	3,550	922	1,104	19	5,576
Borrowings	2,437	1,972	(394)	20	4,015
Total interest expense	7,607	3,444	710		11,761
Net interest income	123,380	23,904	(1,505)		145,779
Provision for loan losses – noncovered	2,109	548	—		2,657
Provision (reversal) for loan losses – covered	(2,132)	—	—		(2,132)
Total provision (reversal) for loan losses	(23)	548	—		525
Net interest income after provision (reversal) for loan losses	123,403	23,356	(1,505)		145,254
Noninterest income					
Service charges on deposit accounts	10,571	1,988	—		12,559
Other charges, commissions and fees	11,913	3,328	—		15,241
Mortgage banking income	2,033	1,710	—		3,743
Commissions from sales of insurance and financial products	3,790	243	—		4,033
SBA consulting fees	3,199	—	—		3,199
SBA loan sale gains	1,433	—	—		1,433
Bank-owned life insurance income	2,052	185	—		2,237
Securities gains (losses)	3	1,321	—		1,324
Foreclosed property gains (losses)	(625)	(2)	—		(627)
Indemnification asset income	(10,255)	—	—		(10,255)
Other gain (losses)	1,437	(17)	—		1,420
Total noninterest income	25,551	8,756	—		34,307

Noninterest expenses					
Salaries and employee benefits	62,064	13,088	—		75,152
Occupancy and equipment expense	11,446	1,786	—		13,232
Merger and acquisition expenses	1,431	—	—		1,431
Settlement of qualified pension plan	—	7,607	(7,607)	23	—
Intangibles amortization	1,211	—	1,673	21	2,884
Other	30,669	7,969	—		38,638
Total noninterest expenses	106,821	30,450	(5,934)		131,337
Income before income taxes	42,133	1,662	4,429		48,224
Income taxes	14,624	444	1,637		16,705
Net income	27,509	1,218	2,792		31,519
Preferred stock dividends	(175)	—	—		(175)
Net income available to common shareholders	\$ 27,334	\$ 1,218	\$ 2,792		\$ 31,344
Basic earnings per share	\$ 1.37	\$ 0.35			\$ 1.26
Diluted earnings per share	\$ 1.33	\$ 0.33	\$ 1.23		
Weighted average common shares – basic	19,964,727	3,505,387	1,403,893	22	24,874,007
Weighted average common shares – diluted	20,732,917	3,659,575	1,249,705	22	25,642,197

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Notes to Unaudited Pro Forma Consolidated Information

(\$ in thousands except per share data)

Note I — Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma combined consolidated financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

1.

This represents the cash portion of the merger consideration of \$15,872, the cash out of the stock options of \$11,482 and after-tax merger-related charges that are expected to be incurred amounting to \$10,750, partially offset by \$3,054 in proceeds from the termination of the ESOP.

2.

This is the estimated fair market value adjustment to the held to maturity securities portfolio.

3.

This is the estimated fair value adjustment of the acquired loan portfolio, based on First Bancorp's evaluation.

4.

The existing ASBB allowance for loan losses is not carried over under applicable accounting rules.

5.

This is the estimated fair market value adjustment to ASBB's land and buildings, based on First Bancorp's evaluation.

6.

This is the estimated fair market value adjustment to ASBB's foreclosed real estate holdings, based on First Bancorp's evaluation.

7.

This is the estimated goodwill that will be created in the merger as a result of the consideration paid being greater than the net assets acquired.

8.

This is the estimated core deposit intangible related to acquired core deposit accounts.

9.

This is the estimated fair market value adjustment associated with the interest rate being paid on time deposits based on similar market products.

10.

This is the estimated fair market value adjustment associated with ASBB's borrowings.

11.

This is the net increase in tax liability resulting from the deferred tax liability associated with the fair market value adjustments at a 37% blended effective tax rate.

12.

This is the adjustment necessary to reflect the expected issuance of 4,909,280 shares of First Bancorp common stock based at a value of \$29.29 per share (the closing price of First Bancorp common stock on March 31, 2017), resulting in total stock merger consideration of approximately \$143,792.

13.

The additional paid-in-capital of ASBB is eliminated as part of the accounting entries to reflect the merger.

14.

This reflects the elimination of ASBB's retained earnings as part of the accounting entries to reflect the merger as well as the estimated merger-related expense that will be incurred by First Bancorp and will reduce First Bancorp's retained earnings, which was estimated at one-half of the total expected merger-related charges.

15.

The adjustment reflects the termination of the ESOP as of the merger date.

16.

These items of shareholders' equity are eliminated as part of the accounting entries to reflect the merger.

17.

This reflects the expected amortization expense associated with the fair market value adjustment related to securities.

18.

This is the estimate of foregone interest income that is expected as a result of the cash outlay described in note 1.

19.

This is the estimate of amortization expense associated with the fair market value adjustment related to time deposits.

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20.

This is the estimate of amortization expense associated with the fair market value adjustment related to borrowings.

21.

This is the estimated amortization expense of the core deposit intangible.

22.

This is the adjustment necessary to reflect the expected number of shares of First Bancorp common stock to be issued as merger consideration of 4,909,280.

23.

This is the one-time charge that ASBB recorded in 2016 to terminate the ASBB defined benefit pension plan. Due to the nonrecurring nature, the financial impact of this item has been eliminated.

Note II — Merger Related Charges

The estimated transaction costs related to the merger are approximately \$10.75 million, net of tax. This cost is included in the Pro Forma Combined Consolidated Balance Sheet. These estimated merger related costs are still being developed and will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts to determine where they may take advantage of redundancies. These costs will be recorded as non-interest expense as incurred. The pro forma presentation of merger related costs is in the following table.

Merger Transaction Costs Schedule

Salaries and employee benefits	\$ 5,750
Professional fees	3,500
Contract termination fess	4,275
Other noninterest expense	2,500
Total merger related costs	16,025
Applicable tax benefit	5,275
Net expense after tax benefit	\$ 10,750

Note III — Preliminary Purchase Accounting Allocation

The unaudited pro forma combined consolidated financial information reflects the issuance of 4,909,280 shares of First Bancorp common stock with an aggregate value of \$143.8 million, as well as cash consideration of approximately \$27.4 million. The merger will be accounted for using the acquisition method of accounting; accordingly, First Bancorp's cost to acquire ASBB will be allocated to the assets (including identifiable intangible assets) and liabilities of ASBB at their respective estimated fair values as of the merger date. Accordingly, the pro forma purchase price was preliminarily allocated to the assets acquired and the liabilities assumed based on their estimated fair values, as summarized in the following table.

\$ 143,792	Stock consideration (3,788 × 90% × 1.44 Exchange Ratio × \$29.29 First Bancorp Stock Price on 3/31/17)
27,354	Cash consideration – from above
171,146	Total merger consideration
93,740	Equity of ASBB
77,406	Preliminary goodwill amount
5,375	Deal charges – assumed that 50% are incurred by ASBB and will reduce their equity
	Fair Value Adjustments

(195)	Held to maturity securities
527	Loan mark, net of allowance
(8,624)	Premises
(9,200)	Core deposit intangible
(1,280)	Time deposits interest rate mark
394	Borrowings mark
6,791	Deferred tax liability associated with fair value adjustments
(3,054)	ESOP termination impact
\$ 68,140	Total goodwill

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COMPARATIVE PER COMMON SHARE DATA

The following table shows per common share data regarding basic and diluted earnings, cash dividends and book value for (i) First Bancorp and ASBB on a historical basis, (ii) First Bancorp and ASBB on a pro forma combined basis, and (iii) ASBB on a pro forma equivalent basis. The pro forma information has been derived from and should be read in conjunction with First Bancorp's and ASBB's audited consolidated financial statements for the year ended December 31, 2016 and quarter ended March 31, 2017 incorporated herein by reference. This information is presented for illustrative purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

Unaudited Comparative Per Common Share Data

	First Bancorp	ASBB	First Bancorp Pro Forma Combined(1)	ASBB Pro Forma Equivalent Per Share(2)
Basic Earnings				
Year ended December 31, 2016	\$ 1.37	\$ 0.35	\$ 1.27	\$ 1.83
Three months ended March 31, 2017	\$ 0.34	\$ 0.53	\$ 0.33	\$ 0.48
Diluted Earnings				
Year ended December 31, 2016	\$ 1.33	\$ 0.33	\$ 1.24	\$ 1.79
Three months ended March 31, 2017	\$ 0.34	\$ 0.50	\$ 0.33	\$ 0.48
Cash Dividends Declared(3)				
Year ended December 31, 2016	\$ 0.32	\$ 0.00	\$ 0.32	\$ 0.46
Three months ended March 31, 2017	\$ 0.08	\$ 0.00	\$ 0.08	\$ 0.12
Tangible Book Value – Common				
December 31, 2016	\$ 13.85	\$ 24.06	\$ 13.58	\$ 19.56
March 31, 2017	\$ 13.53	\$ 24.75	\$ 13.35	\$ 19.22

(1)

First Bancorp Pro Forma Combined amounts are calculated by adding the First Bancorp historical amounts together with the ASBB historical amounts, adjusted for the estimated purchase accounting and other adjustments to be recorded in connection with the merger and an estimated 4,909,280 shares of First Bancorp common stock to be issued pursuant to the terms of the merger agreement.

(2)

Computed by multiplying the First Bancorp pro forma combined amounts by the exchange ratio of 1.44.

(3)

First Bancorp pro forma combined cash dividends paid are based only upon First Bancorp's historical amounts.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this document, including the matters addressed under the section “Cautionary Statement Regarding Forward-Looking Statements,” you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this document. In addition, you should read and consider the risks associated with First Bancorp’s business because these risks will relate to the combined company. A description of some of these risks can be found in the Annual Report on Form 10-K filed by First Bancorp for the year ended December 31, 2016, as updated by other reports filed with the SEC, which are incorporated by reference into this document. You should also consider the other information in this document and the other documents incorporated by reference herein. See “Where You Can Find More Information” and “Incorporation of Certain Documents By Reference” on page 83.

Because the market price of First Bancorp common stock will fluctuate, ASBB shareholders electing to receive stock cannot be sure of the value of the merger consideration they will receive.

Upon completion of the merger, each share of ASBB common stock will be converted into the merger consideration consisting of shares of First Bancorp common stock, cash or a combination of both. If an ASBB shareholder receives only cash as merger consideration, the value of the merger consideration that such ASBB shareholder receives will be independent of any fluctuations in the market price of First Bancorp common stock. The market value of the merger consideration received by ASBB shareholders who receive all or part of the merger consideration in the form of First Bancorp shares will vary with the price of First Bancorp’s common stock. First Bancorp’s stock price changes daily as a result of a variety of other factors in addition to the business and relative prospects of First Bancorp, including general market and economic conditions, industry trends, and the regulatory environment. These factors are beyond First Bancorp’s control. You should obtain current market quotations for shares of First Bancorp common stock.

The market price of First Bancorp common stock after the merger may be affected by factors different from those affecting the shares of ASBB or First Bancorp currently.

Upon completion of the merger, certain holders of ASBB common stock will become holders of First Bancorp common stock. First Bancorp’s business differs from that of ASBB, and, accordingly, the results of operations of the combined company and the market price of First Bancorp common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of First Bancorp and ASBB.

ASBB shareholders may receive a form of consideration different from what they elect.

Although each ASBB shareholder may elect to receive all cash, all stock or a combination of cash and stock, the total merger consideration will be prorated as necessary to ensure that 10% of the total outstanding shares of ASBB common stock will be exchanged for cash and 90% of the total outstanding shares of ASBB common stock will be exchanged for shares of First Bancorp common stock; provided, that the number of shares of First Bancorp common stock to be issued may not exceed 19.9% of the number of shares of First Bancorp common stock outstanding immediately before the effective time of the merger, and to the extent the total number of shares of First Bancorp common stock would exceed 19.9%, the foregoing proration of the total merger consideration will be appropriately adjusted. Accordingly, if the aggregate cash elections are greater than the cash election maximum, each cash election will be reduced pro rata based on the amount that the aggregate cash elections exceed the cash election maximum. Alternatively, if the aggregate stock elections are greater than the stock election maximum, each stock election will be reduced pro rata based on the amount that the aggregate stock elections exceed the stock election maximum.

At the time you vote with respect to the merger agreement, you will not know how much cash or the number of First Bancorp shares you will receive as a result of the merger.

The unaudited pro forma condensed combined financial statements included in this document are preliminary and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma condensed combined financial statements in this proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what First Bancorp’s actual

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financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial statements reflect adjustments to illustrate the effect of the merger had it been completed on the dates indicated, which are based upon preliminary estimates, to record the ASBB identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation for the merger reflected in this proxy statement/prospectus is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of ASBB as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this proxy statement/prospectus. For more information, see the section of this proxy statement/prospectus entitled “Unaudited Pro Forma Condensed Combined Financial Statements” beginning on page 17.

ASBB’s officers and directors have interests in the merger in addition to or different from the interests that they share with you as an ASBB shareholder.

The ASBB Board of Directors unanimously approved the merger agreement and is recommending that ASBB shareholders vote for the merger agreement. In considering these facts and the other information contained in these materials, you should be aware that certain of ASBB’s executive officers and directors have economic interests in the merger that are different from or in addition to the interests that they share with you as an ASBB shareholder. These interests include the payment of certain amounts by ASBB and Asheville Savings Bank to Ms. DeFerie, Mr. Tyndall, Mr. Kozak and Ms. Bailey in connection with the termination of their existing employment agreements immediately prior to the closing of the merger. See “Proposal No. 1 — The Merger — Interests of Directors and Officers of ASBB and Asheville Savings Bank in the Merger” on page 63.

Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.

First Bancorp and ASBB have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on First Bancorp’s ability to successfully combine and integrate the businesses of First Bancorp and ASBB in a manner that permits growth opportunities and neither materially disrupts the existing customer relations nor results in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either company’s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company’s ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. The loss of key employees could adversely affect First Bancorp’s ability to successfully conduct its business, which could have an adverse effect on First Bancorp’s financial results and the value of its common stock. If First Bancorp experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause First Bancorp and/or ASBB to lose customers or cause customers to remove their accounts from First Bancorp and/or ASBB and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of ASBB and First Bancorp during this transition period and for an undetermined period after completion of the merger on the combined company. In addition, the actual cost savings of the merger could be less than anticipated.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met.

Before the transactions contemplated by the merger agreement, including the merger and bank merger, may be completed, various approvals must be obtained from bank regulatory authorities. These governmental entities may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger or of imposing additional costs or limitations on First Bancorp following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain

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conditions on the completion of the merger that are not anticipated or cannot be met. If the consummation of the merger is delayed, including by a delay in receipt of necessary governmental approvals, the business, financial condition and results of operations of each company may also be materially adversely affected.

ASBB and First Bancorp will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on ASBB or First Bancorp. These uncertainties may impair ASBB's or First Bancorp's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with ASBB or First Bancorp to seek to change existing business relationships with ASBB or First Bancorp. Retention of certain employees by ASBB or First Bancorp may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with First Bancorp. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with ASBB or First Bancorp, ASBB's business or First Bancorp's business could be harmed. In addition, subject to certain exceptions, ASBB has agreed to operate its business in the ordinary course prior to closing, and each of ASBB and First Bancorp has agreed to certain restrictive covenants. See the section of this proxy statement/prospectus entitled "Proposal No.1 — The Merger — The Merger Agreement — Conduct of Business of ASBB Pending Closing" beginning on page 61 for a description of the restrictive covenants applicable to ASBB and First Bancorp.

If the merger is not completed, First Bancorp common stock and ASBB common stock could be materially adversely affected.

The merger is subject to customary conditions to closing, including the approval of the ASBB shareholders. In addition, First Bancorp and ASBB may terminate the merger agreement under certain circumstances. If First Bancorp and ASBB do not complete the merger, the market price of First Bancorp common stock or ASBB common stock may fluctuate to the extent that the current market prices of those shares reflect a market assumption that the merger will be completed. Further, whether or not the merger is completed, First Bancorp and ASBB will also be obligated to pay certain investment banking, legal and accounting fees and related expenses in connection with the merger, which could negatively impact results of operations when incurred. In addition, neither company would realize any of the expected benefits of having completed the merger. If the merger is not completed, First Bancorp and ASBB cannot assure their respective shareholders that additional risks will not materialize or not materially adversely affect the business, results of operations and stock prices of First Bancorp and ASBB.

The termination fee contained in the merger agreement may discourage other companies from trying to acquire ASBB.

ASBB has agreed to pay a termination fee of \$6.8 million to First Bancorp if, under certain circumstances, the merger agreement is terminated. This fee could discourage other companies from trying to acquire ASBB.

ASBB shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

ASBB shareholders currently have the right to vote in the election of the ASBB Board of Directors and on other matters affecting ASBB. Upon the completion of the merger, each ASBB shareholder receiving shares of First Bancorp common stock in accordance with the merger agreement will be a shareholder of First Bancorp with a percentage ownership of First Bancorp that is smaller than such shareholder's current percentage ownership of ASBB. It is currently expected that the former shareholders of ASBB as a group will receive shares in the merger constituting approximately 4,909,280, or 16.6%, of the outstanding shares of First Bancorp's common stock immediately after the merger. Because of this, ASBB shareholders will have less influence on the management and policies of First Bancorp than they now have on the management and policies of ASBB.

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The merger may fail to qualify as a reorganization for federal income tax purposes, resulting in an ASBB shareholder's recognition of taxable gain or loss in respect of all of his or her shares of ASBB common stock.

First Bancorp and ASBB intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). We will not ask the Internal Revenue Service ("IRS") to provide a ruling on the matter. First Bancorp and ASBB will, as a condition to closing, obtain an opinion from First Bancorp's counsel that the merger will constitute a reorganization for federal income tax purposes. However, this opinion does not bind the IRS or prevent the IRS from adopting a contrary position. If the merger fails to qualify as a reorganization, ASBB shareholders generally would recognize gain or loss on all shares of ASBB common stock surrendered in the merger, regardless of whether surrendered for cash consideration or stock consideration. For each share, the gain or loss recognized would be an amount equal to the difference between the shareholder's adjusted tax basis in that share and the amount of cash or the fair market value of the First Bancorp common stock received in exchange for that share upon completion of the merger. If the merger qualifies as a reorganization, ASBB shareholders may still recognize taxable gain with respect to the amount of cash received upon completion of the merger in exchange for their shares of ASBB common stock.

There are certain risks relating to First Bancorp's business.

You should read and consider risk factors specific to First Bancorp's business that will also affect the combined company after the merger. These risks are described in the section entitled "Risk Factors" in First Bancorp's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in other documents incorporated by reference into this document. See "Where You Can Find More Information" for the location of information incorporated by reference into this document.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document and the documents that are incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, about First Bancorp, ASBB and their subsidiaries. These forward-looking statements are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, and can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “projects”, “plans”, “goal”, “potential”, “estimates”, “pro forma”, “seeks”, “intends”, or “anticipates” or the negative thereof or comparable terminology. Forward-looking statements include discussions of strategy, financial projections, guidance and estimates (including their underlying assumptions), statements regarding plans, objectives, expectations or consequences of various transactions, and statements about the future performance, operations, products and services of First Bancorp and its subsidiaries after the proposed merger. Forward-looking statements involve risks, uncertainties, assumptions, and certain other factors that could cause actual results to differ from results expressed or implied by the forward-looking statements, including, but not limited to the factors set forth under the “Risk Factors” section above or in First Bancorp’s or ASBB’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as well as the following factors:

- competition from other companies that provide financial services similar to those offered by First Bancorp and ASBB;
- combining the businesses of First Bancorp and ASBB may cost more or take longer than expected;
- retaining key personnel of First Bancorp and ASBB may be more difficult than expected;
- revenues of the combined entity following the merger may be lower than expected, and the operating costs of the combined entity may be higher than expected;
- expected cost savings resulting from the merger may not be fully realized, or may not be realized as soon as expected;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement between First Bancorp and ASBB;
- the inability to complete the transactions contemplated by the merger agreement due to the failure to satisfy each party’s respective conditions to completion, including the receipt of regulatory approval or ASBB shareholder approval;
- interest rate risk involving the effect of a change in interest rates on both First Bancorp’s and ASBB’s earnings and the market value of their equity securities portfolios;
- liquidity risk affecting First Bancorp’s and ASBB’s abilities to meet their obligations when they come due;
- general economic conditions (both generally and in First Bancorp’s and ASBB’s markets) may be less favorable than expected, which could result in, among other things, a deterioration in credit quality, a reduction in demand for credit

and a decline in real estate values;

- a general decline in the real estate and lending markets, particularly in First Bancorp's and ASBB's market areas, could negatively affect their or the combined entity's financial results;
- risk associated with income taxes including the potential for adverse adjustments and the inability of First Bancorp to fully realize deferred tax benefits;
- increased cybersecurity risk, including potential network breaches, business disruptions or financial losses;
- current or future restrictions or conditions imposed by First Bancorp's regulators on its operations may make it more difficult for First Bancorp to achieve its goals;

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- legislative or regulatory changes, including changes in accounting standards and compliance requirements, may adversely affect First Bancorp;
- changes in the interest rate environment may reduce the volumes or values of the loans First Bancorp makes or has acquired;
- other financial institutions with greater financial resources than First Bancorp may be able to develop or acquire products that enable them to compete more successfully than First Bancorp can;
- First Bancorp's ability to attract and retain key personnel can be affected by the increased competition for experienced employees in the banking industry;
- adverse changes may occur in the bond and equity markets;
- war or terrorist activities may cause deterioration in the economy or cause instability in credit markets;
- macroeconomic, geopolitical or other factors may prevent the growth that First Bancorp expects in the markets in which it operates;
- the risks of fluctuations in market prices for First Bancorp stock that may or may not reflect the economic condition or performance of First Bancorp; and
- First Bancorp will or may continue to face the risk factors discussed from time to time in the periodic reports it files with the SEC.

We believe the forward-looking statements contained in or incorporated by reference into this document are reasonable, but we caution that the foregoing list of factors that could cause actual results to differ materially from those anticipated in such forward-looking statements is not exclusive and that you should not place undue reliance on such forward-looking statements, because the future results and shareholder values of First Bancorp following completion of the merger may differ materially from those expressed or implied by these forward-looking statements. We do not intend to update any forward-looking statement, whether written or oral, relating to the matters discussed in these materials.

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THE SPECIAL MEETING OF ASBB SHAREHOLDERS

This document constitutes a proxy statement of ASBB in connection with its solicitation of proxies from its shareholders for the vote on the merger agreement, the advisory vote on merger-related compensation, and on the authorization to adjourn the special meeting of ASBB shareholders, as well as a prospectus of First Bancorp in connection with its issuance of shares of First Bancorp common stock as part of the merger consideration. This document is being mailed by ASBB and First Bancorp to ASBB shareholders of record on or about August 4, 2017, together with the notice of the special meeting and a proxy solicited by ASBB's Board of Directors for use at the special meeting and at any adjournments of the special meeting.

Date, Time, and Place and Matters to be Considered

The special meeting of shareholders of ASBB will be held on September 19, 2017, at 10:30 a.m., at The Collider, 1 Haywood Street, 4th Floor, Asheville, North Carolina 28801. At the special meeting, ASBB shareholders will be asked to:

- approve the merger agreement and the transactions contemplated by the merger agreement, including the merger;
- approve, on a non-binding advisory basis, the compensation that certain executive officers of ASBB will receive under existing agreements or arrangements with ASBB in connection with the merger; and
- approve the adjournment of the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement and the merger.

Record Date and Shares Entitled to Vote

You are entitled to vote at the special meeting of ASBB shareholders if you owned shares of ASBB common stock on July 19, 2017. As of that date, 3,788,025 shares of ASBB common stock were outstanding and entitled to vote at the special meeting.

Shares Held by Officers and Directors; Support Agreements

As of the record date, directors and executive officers of ASBB and their affiliates beneficially owned and were entitled to vote approximately 600,957 shares of ASBB common stock, representing approximately 15.9% of the shares of ASBB common stock outstanding on that date. All of the directors and executive officers of ASBB have agreed to vote their shares in favor of the merger agreement and not sell or otherwise dispose their shares, except with the prior approval of First Bancorp; provided that such support agreements terminate at the effective time of the merger, in the event that the merger agreement is terminated in accordance with its terms or in the event the ASBB Board of Directors withdraws its recommendation in favor of the merger or approves or recommends an acquisition proposal from another party. One of the support agreements additionally provides for earlier termination upon the approval of the merger agreement at the special meeting.

Vote Required; Treatment of Abstentions and Failure to Vote

As of the record date, 3,788,025 shares of ASBB common stock were issued and outstanding. Each issued and outstanding share of ASBB common stock is entitled to one vote. ASBB's articles of incorporation provide that record holders of ASBB common stock, other than the ESOP and other ASBB employee benefit plans, who beneficially own, either directly or indirectly, in excess of 10% of the ASBB's outstanding shares are not entitled to vote shares held in excess of the 10% limit.

Approval by holders of a majority of the shares of ASBB common stock outstanding on the record date is required to approve the merger agreement. Your failure to vote your shares (including your failure to instruct your broker to vote your shares) or your abstaining from voting will have the same effect as a vote "AGAINST" the merger agreement. The ASBB Board of Directors has unanimously approved the merger agreement and unanimously recommends that ASBB shareholders vote "FOR" the approval of the merger agreement.

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As referenced above, all of the directors and executive officers of ASBB have agreed to vote their shares in favor of the merger agreement and not sell or otherwise dispose their shares, except with the prior approval of First Bancorp; provided that such support agreements terminate in the event that the ASBB Board of Directors withdraws its recommendation in favor of the merger or approves or recommends an acquisition proposal from another party. One of the support agreements additionally provides for earlier termination upon the approval of the merger agreement at the special meeting. As of the record date, ASBB's directors and executive officers owned 600,957 shares, or 15.9%, of outstanding ASBB common stock (excluding shares underlying options).

The approval, on a non-binding advisory basis, of the proposal regarding compensation that certain executive officers of ASBB will receive under existing agreements or arrangements with ASBB in connection with the merger requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. The ASBB Board of Directors unanimously recommends that ASBB shareholders vote "FOR" the approval of the compensation payable under existing agreements that certain of its officers will receive from ASBB in connection with the merger.

Approval of the merger agreement and approval of the compensation payable under existing agreements that certain ASBB officers will receive in connection with the merger are subject to separate votes of the ASBB shareholders, and approval of the compensation is not a condition to completion of the merger.

The approval of the proposal to adjourn the special meeting, if necessary or appropriate, including to solicit additional proxies to approve the merger agreement requires that the number of votes cast at the special meeting, in person or by proxy, in favor of the proposal exceeds the number of votes cast against the proposal. The ASBB Board of Directors unanimously recommends that shareholders vote "FOR" this proposal.

Solicitation of Proxies

ASBB is soliciting your proxy in conjunction with the merger. ASBB will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, ASBB will request that banks, brokers, plan trustees and other record holders send proxies and proxy material to the beneficial owners of ASBB common stock and secure their voting instructions. ASBB will reimburse the record holders for their reasonable expenses in taking those actions. Additionally, directors, officers and other employees of ASBB may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities. ASBB has also engaged Regan & Associates, Inc. to assist in the solicitation of proxies for a fee of \$9,000, plus reimbursement of expenses, for these services.

Voting of Proxies; Incomplete Proxies

Shares of common stock represented by properly executed proxies received at or prior to the special meeting of ASBB shareholders will be voted at the special meeting in the manner specified by the holders of such shares. Properly executed proxies that do not contain voting instructions will be voted "FOR" approval of the merger agreement, "FOR" approval of the non-binding advisory vote to approve the compensation that certain executive officers of ASBB will receive in connection with the merger and "FOR" the adjournment proposal.

Any record shareholder present in person or by proxy at the special meeting who abstains from voting will be counted for purposes of determining whether a quorum exists.

Because approval of the merger agreement requires the affirmative vote of a majority of all shares of ASBB common stock entitled to vote at the special meeting of ASBB shareholders, abstentions and broker non-votes will have the same effect as a vote "AGAINST" the proposal to approve the merger agreement. Accordingly, ASBB's Board of Directors urges its shareholders to complete, date, and sign the accompanying proxy form and return it promptly in the enclosed, postage-paid envelope.

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Revocability of Proxies and Change to ASBB Shareholder's Vote

If you are the record holder of ASBB common stock, you may change your vote by: (i) if you voted over the Internet or by telephone, voting again over the Internet or by telephone by the applicable deadline described herein; (ii) if you previously completed and returned a proxy card, submitting a new proxy card with a later date and returning it to ASBB prior to the vote at the special meeting; (iii) submitting timely written notice of revocation to our Corporate Secretary, at ASB Bancorp, Inc., 11 Church Street, Asheville, North Carolina 28801, at any time prior to the vote at the special meeting; or (iv) attending the special meeting in person and voting your shares at the special meeting. A revocation or later-dated proxy received by ASBB after the vote will not affect the vote.

If you hold your shares of ASBB common stock in "street name" through a bank or broker, you should contact your bank or broker to change your vote or revoke your proxy. If you own shares of ASBB common stock indirectly through the ESOP, the 401(k) Plan, or the ASB Bancorp, Inc. 2012 Equity Incentive Plan, you should contact the plan trustees to change your vote or revoke your proxy.

Ownership of Shares; Attending the Meeting

You may own shares of ASBB common stock in one or more of the following ways:

- Directly in your name as the shareholder of record;
- Indirectly through a broker, bank or other holder of record in "street name";
- Indirectly through the ESOP;
- Indirectly through the 401(k) Plan; or
- Indirectly through the ASB Bancorp, Inc. 2012 Equity Incentive Plan.

If your shares are registered directly in your name, you are the holder of record of these shares and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us or to vote in person at the meeting.

If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote by filling out a voting instruction form that accompanies your proxy materials. Your broker, bank or other holder of record may allow you to provide voting instructions by telephone or by the Internet. Please see the instruction form provided by your broker, bank or other holder of record that accompanies this proxy statement. If you hold your shares in street name, you will need proof of ownership of your shares to be admitted to the meeting. A recent brokerage statement or a letter from your broker, bank or other nominee are examples of acceptable proof of ownership. Further, if you want to vote your shares of ASBB common stock held in street name in person at the meeting, you must obtain a written proxy in your name from the broker, bank or other nominee who is the record holder of your shares.

If you own shares of ASBB common stock indirectly through the ESOP, the 401(k) Plan or the ASB Bancorp, Inc. 2012 Equity Incentive Plan, see "The Merger Agreement — Participants in the ESOP, 401(k) Plan or 2012 Equity Incentive Plan" for voting information.

Assistance

If you have any questions concerning the merger or this document, would like additional copies of this document or need help voting your shares of ASBB common stock, please contact Kirby A. Tyndall, Chief Financial Officer, ASB Bancorp, Inc., 11 Church Street, Asheville, North Carolina 28801, telephone number (828) 254-7411, or ASBB's proxy solicitor, Regan & Associates, Inc., at 505 Eighth Avenue, Suite 800, New York, NY 10018, or 800-737-3426.

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PROPOSAL NO. 1 — THE MERGER

Background of the Merger

As part of its ongoing consideration and evaluation of its long-term prospects and strategies, ASBB's Board of Directors and executive management have regularly reviewed and assessed its business strategies and objectives, all with the goal of enhancing long-term value for its shareholders. The Board of Directors' reviews and assessments have included discussions regarding strategic alternatives, including capital planning (such as share repurchases), earnings improvement (such as revenue increases and expense reductions), and growth strategies (such as organic growth and mergers and acquisitions). The Board of Directors has conducted periodic strategic planning meetings that have included the use of outside advisors who have provided reviews of factors influencing the banking industry generally and ASBB in particular (including the economic, interest rate, and regulatory environment); the competitive landscape of community banking participants in North Carolina, the Southeast region, and nationally; public trading prices of bank stocks; and bank merger and acquisition activity and valuations. These strategic planning meetings have included discussions regarding potential business considerations, economies of scale, increased client service, and shareholder value benefits that might be achieved if ASBB were to become a larger institution through acquisitions or a merger with a larger financial institution.

ASBB directors and executive officers have also been contacted from time to time by various investment bank representatives and financial institutions, including Institutions B-D (as described below), who expressed a general interest in exploring strategic alternatives in the event that ASBB were to seek a merger partner. These contacts occurred through impromptu meetings at investor conferences and banking industry conferences, social settings at those conferences, and other informal meetings and telephone calls. These meetings and the other inquiries that had been received from various institutions involved general discussions regarding a potential merger but did not involve specific proposed transaction terms.

As part of its ongoing consideration and evaluation of its long-term prospects and strategies, and in view of the ongoing contacts as described above, the ASBB Board of Directors met on November 21, 2016. The investment banking firm of KBW, which was subsequently engaged to act as ASBB's financial advisor in connection with the merger, attended the meeting and discussed with the Board of Directors information regarding the banking industry, ASBB, and recent bank merger and acquisition activity, including, among other things, both potential acquisition opportunities for ASBB and potential strategic merger partners. The Board of Directors discussed ASBB's potential acquisition of other financial institutions or merger into a larger institution, as well as ASBB's enhanced profitability and earnings per share and franchise positioning. The Board of Directors also discussed the market for bank mergers in general and the desire to be able to move quickly should the Board decide to explore or pursue any opportunities. After discussion, the Board of Directors directed executive management, in coordination with KBW, to prepare a preliminary version of a confidential information memorandum that could be used to market ASBB to potential merger partners and to populate an online dataroom to facilitate the performance of due diligence by potential merger partners, provided that the confidential information memorandum would not be distributed, nor would any access to the dataroom be granted, to any potential merger partners without further action by the Board of Directors.

The ASBB Board of Directors held a regularly scheduled meeting on January 27, 2017. KBW joined the meeting via teleconference to provide an update on bank merger and acquisitions activity since the November 21, 2016 meeting. In addition, the Board of Directors discussed with KBW the process that would be followed should the Board of Directors decide to explore potential merger and acquisition opportunities. The directors discussed the mission, strategic vision, and core values of ASBB, as well as the characteristics that it believed would be important in a merger partner. The Board of Directors also noted that it was not under any obligation to proceed with a transaction should the distribution of the confidential information memorandum not generate the desired results in valuation and other factors that it determined to be in the best interests of ASBB and its shareholders. After discussion, the ASBB Board of Directors determined to continue with the preparation of the confidential information memorandum and delegated authority to the executive committee of the Board of Directors, whose members include Suzanne S. DeFerie, the President and Chief Executive Officer of ASBB and Asheville Savings Bank, Ms. Patricia S. Smith, the chairwoman of the ASBB Board of Directors, and Mr. John B. Gould, the vice

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chairman of the ASBB Board of Directors, to work with KBW to prepare a list of potential strategic merger partners to receive the confidential information memorandum and to discuss that list with ASBB's legal counsel to ensure that the executive committee has vetted a sufficiently broad range of potential merger partners.

The executive committee of the ASBB Board of Directors held a meeting on February 2, 2017 to discuss the proposed nondisclosure agreement to be provided to potential merger partners and the status of the confidential information memorandum. The executive committee also developed a list of potential strategic merger partners to receive the confidential information memorandum, once finalized.

During February 2017, at the direction of the executive committee of the ASBB Board of Directors, KBW contacted eight potential strategic merger partners previously identified by the executive committee, of which six, including First Bancorp and five other institutions that we refer to as "Institutions A-E," respectively, ultimately signed nondisclosure agreements with ASBB. Each of the six potential strategic merger partners that signed a nondisclosure agreement was provided with the confidential information memorandum, with access to the online dataroom, and with access to the ASBB management team for further due diligence. Ms. DeFerie subsequently met in person with representatives of Institution A and conducted several phone calls with representatives of Institution B and Institution C. In addition, responses to specific diligence questions raised by the potential strategic merger partners were provided by members of the ASBB management team to KBW to convey to the potential strategic merger partners through their financial advisors.

At the regularly scheduled ASBB Board of Directors meeting on February 21, 2017, Ms. DeFerie updated the directors on the activity with potential merger partners, including distribution of the confidential information memorandum and commencement of due diligence by the potential partners. Discussion followed on the content of the confidential information memorandum and documents included in the dataroom.

During March 2017, KBW and management team of ASBB began preparing for further credit due diligence by potential strategic merger partners.

On March 16, 2017, in response to KBW's request for preliminary indications of interest in ASBB, five of the six potential strategic merger partners that signed a nondisclosure agreement, including First Bancorp and each of Institutions A, B, C, and D, submitted a preliminary, non-binding indication of interest with respect to a merger with ASBB. Between March 17, 2017 and March 19, 2017, KBW conducted follow-up conversations with each potential strategic merger partner or its financial advisor to clarify the terms of their initial indications. First Bancorp's indication of interest proposed merger consideration of \$42.50 to \$44.00 per share, or an exchange ratio of 1.41 to 1.46, consisting of 10% cash and 90% First Bancorp common stock. First Bancorp stated the final exchange ratio would be based on results of due diligence. Institution A's indication of interest proposed merger consideration of \$42.00 per share, consisting of 100% Institution A common stock. Institution A's indication of interest stated that, subject to further due diligence and conversations with ASBB, Institution A would consider including cash in the consideration mix. Institution B's indication of interest proposed merger consideration of \$38.50 to \$40.00 per share in a 20% cash and 80% Institution B common stock transaction with a fixed exchange ratio. Institution C's indication of interest proposed merger consideration \$38.25 to \$40.25 per share of ASBB common stock in a 100% Institution C common stock transaction. Institution D's indication of interest proposed merger consideration of \$38.00 per share in a 100% cash transaction.

On March 21, 2017, the ASBB Board of Directors held a meeting. KBW and ASBB's outside legal counsel, Nelson Mullins Riley & Scarborough LLP ("Nelson Mullins") attended the meeting. Nelson Mullins reviewed the fiduciary duties of the Board of Directors in connection with merger and acquisition transactions and in the context of the strategic discussions taking place. KBW provided the Board of Directors with an update of the feedback from the potential merger partners contacted to date, including a review of all potential merger partners contacted, the number of potential merger partners who signed nondisclosure agreements, and the number of indications of interest received from potential merger partners.

KBW also provided a comparison of the financial metrics and other terms with respect to the five indications of interest that had been received and discussed with the Board of Directors the pro forma

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financial aspects of each of the five indications of interest. KBW also reviewed with the Board of Directors publicly available information regarding each of the five parties that submitted an indication of interest.

With KBW's input, the ASBB Board of Directors discussed the opportunities and risks associated with each of the five indications of interest, including the potential value of the merger consideration and the likelihood that each potential merger partner would be willing and able to increase its offer. The Board of Directors also discussed whether to go forward with further due diligence with two or three potential strategic merger partners. After lengthy discussion, the Board of Directors determined that it was in the best interests of ASBB and its shareholders to invite First Bancorp, Institution A, and Institution B to continue their due diligence, without providing exclusivity to any party, and to ask them each to provide a final indication of interest. KBW stated that it expected to have final indications of interest available to present to the Board of Directors at its April 18, 2017 meeting.

Later on March 21, 2017, KBW reported to ASBB that it had contacted each of First Bancorp, Institution A, and Institution B to inform them that they had been selected by the ASBB Board of Directors to proceed with further due diligence, and that it had contacted both Institution C and Institution D to inform them that they had not been selected for further due diligence. Over the next several days, KBW and members of the ASBB management team prepared and uploaded further credit and other specifically requested due diligence materials to the online dataroom for review by First Bancorp, Institution A, and Institution B.

On March 24, 2017, ASBB received a letter from Institution C, clarifying its initial indication of interest and proposing merger consideration of \$40.25 per share. Institution C's letter also indicated that it would be willing to consider up to 20% cash consideration. On March 27, 2017, the executive committee of the ASBB Board of Directors held a telephonic meeting to discuss the letter received from Institution C. Based on the factors analyzed by the Board of Directors at the March 21, 2017 meeting, the executive committee determined that the decision of the full Board of Directors at that meeting to move forward with First Bancorp, Institution A, and Institution B would stand.

Subsequently, on March 27, 2017, First Bancorp, Institution A, and Institution B were each granted access to the data room. Prior to First Bancorp's and Institution B's submission of final indications of interest on April 21, 2017, First Bancorp, Institution A, and Institution B conducted further credit due diligence including, in addition to review of dataroom materials and a combination of in-person and telephone meetings with ASBB management. Specifically, on April 3, 2017, members of the ASBB management team, including Ms. DeFerie and Mr. Kirby A. Tyndall, the Executive Vice President and Chief Financial Officer of ASBB, participated in a conference call with representatives of Institution B, and on April 4, 2017, representatives of ASBB, including Ms. DeFerie and Mr. Tyndall, participated in an in-person meeting with representatives of First Bancorp.

On April 5, 2017, at ASBB's direction, KBW provided each of First Bancorp, Institution A, and Institution B with an instruction letter requesting delivery of final indications of interests, including a summary of all financial and structural terms and a mark-up of the draft merger agreement, by 12:00 p.m. on April 12, 2017. The instruction letters included specific structural terms that ASBB requested each party to address in its final indication of interest.

On April 12, 2017, First Bancorp and Institution B delivered their final indications of interest to KBW. Also, on April 12, 2017, Institution A advised KBW that it would not submit a final indication of interest.

Between April 12, 2017 and the ASBB Board of Directors meeting on April 18, 2017, KBW and ASBB management continued conversations with each of First Bancorp and Institution B, or their respective financial advisors, to clarify the terms of their final indications of interest. Over this period, Ms. DeFerie and other members of the ASBB management team participated in numerous in-person and telephone meetings with representatives of both First Bancorp and Institution B, as requested by each potential merger partner.

On April 18, 2017, the ASBB Board of Directors held a meeting to review the final indications of interest submitted by First Bancorp and Institution B. KBW and Nelson Mullins attended the meeting. KBW advised that two of the three potential merger partners previously selected by the Board of Directors for further due diligence, First Bancorp and Institution B, had submitted final indications of interest and

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that the third potential merger partner, Institution A, had withdrawn from the process. First Bancorp's final indication of interest proposed merger consideration based on a fixed exchange ratio of 1.44 shares of First Bancorp common stock for each share of ASBB common stock, or an implied purchase price of \$41.90 per share based on First Bancorp's 30-day average stock price as of April 11, 2017 of \$30.11 per share), consisting of 10% cash and 90% First Bancorp common stock, with a limit on the number of shares of First Bancorp common stock to be issued in the merger equal to 19.9% of First Bancorp's outstanding shares immediately prior to the effectiveness of the merger. Institution B's final indication of interest proposed merger consideration of 1.4848 shares of Institution B common stock for each share of ASBB common stock, or \$40.00 in cash for each share of ASBB common stock, based the 10-day average stock price through April 11, 2017, in a 20% cash and 80% common stock transaction. KBW reviewed with the Board of Directors a comprehensive summary of the search process for a merger partner and provided a brief overview of the stock price performance and trading multiples of First Bancorp and Institution B since December 31, 2016 and since the date of the initial indications of interest. The directors then discussed in detail the terms of the final indications of interest received from First Bancorp and Institution B, which included, where applicable, a discussion of where the final indications of interest differed from the initial indications of interest and how the general decline in bank stocks since the receipt of the initial indications of interest had impacted the financial considerations of the final indications of interest. KBW also reviewed with the Board of Directors the pro forma financial aspects of the final indications of interest, a summary of the social considerations included in each final indication of interest, and publicly available information regarding each of First Bancorp and Institution B.

KBW and Nelson Mullins addressed the reverse due diligence process and expectations regarding an exclusivity agreement with a potential merger partner if the Board of Directors elected to move forward with either First Bancorp or Institution B. After lengthy discussion, the ASBB Board of Directors determined to negotiate a 30-day exclusivity agreement with First Bancorp and to immediately proceed with reverse due diligence process.

Nelson Mullins led a discussion with the ASBB Board of Directors regarding the mark-up of the draft merger agreement submitted by each of First Bancorp and Institution B, including a summary of where each party had proposed material changes to the draft merger agreement as prepared. Nelson Mullins discussed the "no shop" provisions of the draft merger agreement and reviewed with the members of the Board of Directors their fiduciary duties with respect to the receipt of a competing offer for a transaction with ASBB should a competing offer be received. Nelson Mullins also discussed the mechanics and amount of the proposed termination fee in the draft merger agreement. Following Nelson Mullins' presentation, the ASBB Board of Directors authorized Ms. DeFerie, with the assistance of Nelson Mullins and KBW, to negotiate the terms of a proposed definitive agreement with First Bancorp, including any ancillary documents proposed to be executed therewith.

Following the meeting on April 18, 2017, KBW reported to ASBB that it had contacted each of First Bancorp and Institution B regarding the Board of Directors' decision. Also on April 18, 2017, KBW also reported that it had been contacted by a senior executive at Institution C regarding Institution C's continued interest in pursuing a potential merger with ASBB. Institution C did not communicate any changes to its offer.

On April 19, 2017, First Bancorp delivered a proposed exclusivity agreement to ASBB that included an exclusivity period through May 31, 2017. Per the authorization of the ASBB Board of Directors, ASBB negotiated a 30-day exclusivity period, which would end on May 19, 2017. ASBB and First Bancorp executed the exclusivity agreement on April 21, 2017.

Between April 21, 2017 through April 23, 2017, ASBB, with the assistance of Nelson Mullins, engaged in reverse due diligence with respect to First Bancorp. The reverse due diligence of First Bancorp included, among other actions, review of materials requested by ASBB and its advisors and uploaded to an online dataroom prepared by First Bancorp and its financial advisor, as well as meetings of the ASBB management team with Mr. Richard H. Moore, the Chief Executive Officer of First Bancorp, Mr. Michael G. Mayer, the Chief Executive Officer of First Bank, and other members of First Bancorp's senior management team, regarding various financial, operational, credit quality, legal and regulatory matters, and review of analyst reports.

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During the last two weeks of April 2017, ASBB, First Bancorp, and their respective advisers engaged in final due diligence (including reverse due diligence conducted telephonically on April 24, 2017), negotiated the final terms of the definitive merger agreement and the support agreements, including the parties that would sign the support agreements, and prepared disclosure schedules related to the definitive merger agreement. Final due diligence by each of ASBB and First Bancorp was conducted through in-person meetings, phone calls, and document review and, among other things, involved discussions of strategic fit, management philosophy and organizational structure, including the roles of certain ASBB executive officers with First Bancorp following the merger. Specially, on April 25, 2017, Messrs. Moore and Mayer met with the ASBB Board of Directors to present an overview of First Bancorp and its strategic direction, and thereafter, on April 26, 2017, Messrs. Moore and Mayer met individually with several members of the ASBB Board of Directors and members of ASBB's senior management team.

On April 30, 2017, the ASBB Board of Directors, along with KBW and Nelson Mullins, held a special board meeting to review the proposed definitive merger agreement. ASBB management also reviewed with the Board of Directors a summary of ASBB's reverse due diligence. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the ASBB Board of Directors an opinion to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the merger consideration in the proposed merger was fair, from a financial point of view, to the holders of ASBB common stock. Nelson Mullins reviewed with the members of the ASBB Board of Directors their fiduciary duties to ASBB and its shareholders, as well as their duties under the terms of the proposed definitive merger agreement with respect to the receipt of other offers, or discussions of other offers, if the definitive merger agreement is executed. Nelson Mullins also led a discussion with the Board of Directors regarding the proposed definitive merger agreement, including the negotiated changes since the version reviewed by the Board of Directors at the April 18, 2017 meeting. The ASBB Board of Directors also discussed the terms of the proposed employment agreement that First Bancorp had provided to Ms. DeFerie, and Ms. DeFerie informed that she was prepared to sign the agreement if the Board of Directors determined to enter into the definitive merger agreement. After further discussion, the ASBB Board of Directors unanimously adopted and approved the definitive merger agreement and unanimously determined to recommend the merger agreement to the ASBB shareholders for approval. Each of the ASBB directors and executive officers also executed support agreements in favor of the merger to be held in escrow pending execution of the definitive merger agreement by ASBB and First Bancorp.

The definitive merger agreement was executed on May 1, 2017. Following the closing of the markets on May 1, 2017, First Bancorp and ASBB issued a joint news release publicly announcing the definitive merger agreement.

ASBB's Reasons for the Merger and Recommendation of the ASBB Board of Directors

In reaching its decision to adopt and approve the merger agreement and recommend that ASBB's shareholders approve the merger agreement, in addition to relying on personal knowledge of ASBB, First Bancorp, and the banking industry, the ASBB Board of Directors evaluated the proposed merger and the merger agreement in consultation with ASBB's outside financial and legal advisors, reviewed financial data and due diligence information, and considered the views of ASBB's management team including Suzanne S. DeFerie, ASBB's President and Chief Executive Officer, who is also a director. After such consultation and review, and after considering ASBB's strategic options and its future prospects as an independent company, ASBB's Board of Directors concluded that the proposed merger with First Bancorp is in the best interests of ASBB and its shareholders.

In its deliberations described above and in making its determination, the ASBB Board of Directors considered many factors, including, without limitation, the following:

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The form and amount of the merger consideration, including the ability of ASBB shareholders who desire to do so to participate in the future performance of the combined company and the potential synergies resulting from the merger;

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The greater liquidity in the trading market for First Bancorp common stock relative to the trading market for ASBB common stock;

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- The regular quarterly cash dividend declared and historically paid by First Bancorp on outstanding shares of its common stock;

- The views of the ASBB Board of Directors with respect to other potential ASBB strategic options, including remaining an independent company, competing for organic growth, making acquisitions, merging with another potential merger partner, or engaging in further share repurchases;

- The current and prospective business and economic environments of the markets served by ASBB, including the competitive environment for North Carolina financial institutions, the continuing consolidation of the financial services industry, the increased regulatory burdens on financial institutions and the uncertainties in the regulatory climate going forward, the pressure on net interest margins resulting from a low interest rate environment, and the escalating need for investment in technology;

- The business, earnings, operations, financial condition, management, prospects, capital levels, technology, and asset quality of both ASBB and First Bancorp, taking into account the results of ASBB's reverse due diligence of First Bancorp;

- The views of the ASBB Board of Directors with respect to the complementary aspects of ASBB's and First Bancorp's businesses, including customer focus, geographic coverage, business orientation and compatibility of the companies' management and operating styles, which the ASBB Board of Directors believes should facilitate integration and enhance the likelihood of successful post-merger operations;

- The lack of significant overlap between ASBB's and First Bancorp's existing branch footprint, and the ASBB Board of Directors' belief that the competitive effects of the merger would not hinder the parties from obtaining the necessary regulatory approvals in a timely manner without unacceptable conditions;

- The ASBB Board of Directors' understanding of First Bancorp's commitment to enhancing its strategic position in North Carolina and the Southeast region;

- The value to ASBB shareholders from diversifying ASBB's geographic concentration and expanding its sources of revenues from First Bank's array of products;

- The belief of the ASBB Board of Directors that combining the two companies presents potential opportunities to realize operational, technological, marketing, and other synergies resulting from the merger, and the overall greater scale that will be achieved by the merger, which should better position the combined company for growth and profitability;

- The financial presentation, dated April 30, 2017, and the opinion, dated April 30, 2017, of KBW to the ASBB Board of Directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of ASBB common stock of the merger consideration in the proposed merger, as more fully described below under "Opinion of

ASBB's Financial Advisor" on page 40;

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The likelihood that the necessary regulatory approvals to complete the transaction would be obtained in a timely manner without unacceptable conditions;

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The views of ASBB's Board of Directors as to the ability of First Bancorp's management team to successfully integrate and operate the business of the combined company after the merger;

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The effect of the merger on Asheville Savings Bank's customers and the communities in which it does business, including enhanced products and services which could be provided by First Bank; and

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The effect of the merger on Asheville Savings Bank's officers and employees, including the prospects for continued employment and the severance and other benefits agreed to be provided by First Bank to employees of Asheville Savings Bank.

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The ASBB Board of Directors also considered a variety of risks and other potentially negative factors relating to the merger, including the following, which are not intended to be exhaustive and are not presented in any relative order of importance:

- If the market price of First Bancorp common stock decreases prior to completion of the merger, the aggregate value of consideration to be received by ASBB's shareholders receiving stock in the merger will decrease as well;
- The fact that ASBB would be prohibited from soliciting acquisition proposals after execution of the merger agreement, and the possibility that, while it was not viewed as precluding other proposals, the termination fee payable to First Bancorp upon the termination of the merger agreement under certain circumstances could potentially discourage certain other potential acquirers from making a competing offer to acquire ASBB;
- ASBB will lose the autonomy and local strategic decision-making capability associated with being an independent financial institution;
- The risk that potential benefits and synergies sought in the merger may not be realized or may not be realized within the expected time period, and the risks associated with the integration of the two companies;
- The possibility that the merger and the integration process could result in employee attrition and have a negative effect on business and customer relationships;
- The fact that, while ASBB expects that the merger will be consummated, there can be no assurance that all conditions to the parties' obligations to complete the merger will be satisfied, including the risk that certain regulatory approvals, the receipt of which are conditions to the consummation of the merger, might not be obtained, and as a result, the merger may not be consummated;
- While the merger is pending, ASBB's officers and employees will have to focus extensively on actions required to complete the merger, which could divert their attention from ASBB's business, and ASBB will incur substantial costs even if the merger is not consummated;
- While the merger is pending, ASBB will be subject to certain customary restrictions on the conduct of its business as described under "Conduct of Businesses of ASBB Pending Closing," which may delay or prevent it from pursuing business opportunities that may arise, or preclude it from taking actions that would be advisable if it was to remain independent;
- The significant risks and costs involved in connection with entering into and completing the merger, or failing to complete the merger in a timely manner, or at all, including as a result of any failure to obtain required regulatory approvals, such as the risk and costs relating to diversion of management and employee attention from other strategic opportunities and operational matters, potential employee attrition, and the potential effect on business and customer relationships; and
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The possibility of litigation in connection with the merger.

The foregoing discussion of the factors considered by ASBB's Board of Directors is not intended to be exhaustive, but is intended to include the material factors considered by the ASBB Board of Directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the ASBB Board of Directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the merger and the merger agreement and recommend that shareholders vote "FOR" approval of the merger agreement. In addition, individual members of the ASBB Board of Directors may have given differing weights to different factors. The ASBB Board of Directors conducted an overall analysis of the factors described above. The ASBB Board of Directors considered all of the foregoing factors as a whole and unanimously supported a determination to approve the merger and recommend that ASBB shareholders approve the merger agreement.

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THE ASBB BOARD OF DIRECTORS UNANIMOUSLY DETERMINED THAT THE MERGER, THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT ARE IN THE BEST INTERESTS OF ASBB AND ITS SHAREHOLDERS AND UNANIMOUSLY APPROVED THE MERGER AGREEMENT. THE ASBB BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ASBB SHAREHOLDERS VOTE “FOR” THE APPROVAL OF THE MERGER AGREEMENT AND THE PLAN OF MERGER CONTAINED THEREIN.

In considering the recommendation of the ASBB Board of Directors with respect to the proposal to approve the merger agreement, shareholders should be aware that ASBB’s directors and executive officers have interests in the merger that are different from, or in addition to, those of other ASBB shareholders. The ASBB Board of Directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger and merger agreement, and in making its recommendation, but still determined that the terms of the proposed merger were fair and in the best interests of all ASBB shareholders. See “Interests of Directors and Officers of ASBB and Asheville Savings Bank in the Merger.” beginning on page 63.

The above explanation of the reasoning of the ASBB Board of Directors and the other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading “Cautionary Statement Regarding Forward-Looking Statements.”

The ASBB Board of Directors unanimously approved the merger agreement and recommends that you vote “FOR” approval of the merger agreement.

Each of the ASBB directors has entered into a support agreement with First Bancorp, pursuant to which they have agreed to vote in favor of the merger agreement at the special meeting. For more information regarding the support agreements, please see the section entitled “Support Agreements” beginning on page 65.

Opinion of ASBB’s Financial Advisor

ASBB engaged KBW to render financial advisory and investment banking services to ASBB, including an opinion to the ASBB Board of Directors as to the fairness, from a financial point of view, to the holders of ASBB common stock of the merger consideration to be received by such shareholders in the proposed merger of ASBB with and into First Bancorp. ASBB selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the telephonic meeting of the ASBB Board of Directors held on April 30, 2017, at which the ASBB Board of Directors evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the ASBB Board of Directors an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the merger consideration in the proposed merger was fair, from a financial point of view, to the holders of ASBB common stock. The ASBB Board of Directors approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW’s opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the ASBB Board of Directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the merger consideration in the merger to the holders of ASBB common stock. It did not address the underlying business decision of ASBB to engage in the merger or enter into the merger agreement or constitute a recommendation to the ASBB Board of Directors in connection with the merger, and it does not constitute a recommendation to any holder of ASBB common stock as to how to vote in connection with the merger or any

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other matter (including, with respect to holders of ASBB common stock, what election any such shareholder should make with respect to the cash consideration, the stock consideration or any combination thereof), nor does it constitute a recommendation regarding whether or not any such shareholder should enter into a voting, shareholders', or affiliates' agreement with respect to the merger.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of ASBB and First Bancorp and bearing upon the merger, including, among other things:

- a draft of the merger agreement dated April 25, 2017 (the most recent draft then made available to KBW);
- the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of ASBB;
- the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of First Bancorp;
- the unaudited quarterly financial results for the quarter ended March 31, 2017 of ASBB (contained in the Current Report on Form 8-K filed by ASBB with the SEC on April 28, 2017);
- the unaudited quarterly financial results for the quarter ended March 31, 2017 of First Bancorp (contained in the Current Report on Form 8-K filed by First Bancorp with the SEC on April 27, 2017);
- certain regulatory filings of ASBB, Asheville Savings Bank, First Bancorp and First Bank, including (as applicable) the semi-annual reports on Form FR Y-9SP and quarterly reports on Form FR Y-9C and quarterly call reports required to be filed with respect to each semi-annual period and quarter (as the case may be) during the three-year period ended December 31, 2016;
- certain other interim reports and other communications of ASBB and First Bancorp to their respective shareholders; and
- other financial information concerning the businesses and operations of ASBB and First Bancorp that was furnished to KBW by ASBB and First Bancorp or which KBW was otherwise directed to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of ASBB and First Bancorp;
- the assets and liabilities of ASBB and First Bancorp;
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the nature and terms of certain other merger transactions and business combinations in the banking industry;

- a comparison of certain financial and stock market information for ASBB and First Bancorp with similar information for certain other companies the securities of which were publicly traded;
- financial and operating forecasts and projections of ASBB that were prepared by, and provided to KBW and discussed with KBW by, ASBB management and that were used and relied upon by KBW at the direction of such management and with the consent of the ASBB Board of Directors;

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- publicly available consensus “street estimates” of First Bancorp for 2017 and 2018, as well as assumed long-term First Bancorp growth rates provided to KBW by First Bancorp management, all of which information was discussed with KBW by such management and used and relied upon by KBW based on such discussions, at the direction of ASBB management and with the consent of the ASBB Board of Directors; and

- estimates regarding certain pro forma financial effects of the merger on First Bancorp (including, without limitation, the cost savings and related expenses expected to result from or be derived from the merger) that were prepared by, and provided to and discussed with KBW by, the management of First Bancorp, and used and relied upon by KBW based on such discussions, at the direction of ASBB management and with the consent of the ASBB Board of Directors.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions that were held with the respective managements of ASBB and First Bancorp regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. In addition, KBW considered the results of the efforts undertaken by ASBB, with KBW’s assistance, to solicit indications of interest from third parties regarding a potential transaction with ASBB.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of ASBB as to the reasonableness and achievability of the financial and operating forecasts and projections of ASBB referred to above (and the assumptions and bases therefor), and KBW assumed that such forecasts and projections were reasonably prepared and represented the best currently available estimates and judgments of such management and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such management. KBW further relied, with the consent of ASBB, upon First Bancorp management as to the reasonableness and achievability of the publicly available consensus “street estimates” of First Bancorp, the assumed First Bancorp long-term growth rates, and the estimates regarding certain pro forma financial effects of the merger on First Bancorp, all as referred to above (and the assumptions and bases for all such information, including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the First Bancorp “street estimates” referred to above that such estimates were consistent with, the best currently available estimates and judgments of First Bancorp management and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that some of the foregoing financial information of ASBB and First Bancorp that was provided to KBW was not prepared with the expectation of public disclosure, that all of the foregoing financial information, including the publicly available consensus “street estimates” of First Bancorp, was based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of ASBB and First Bancorp and with the consent of the ASBB Board of Directors, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either ASBB or First Bancorp since the date of the last financial statements of

each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed,

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without independent verification and with ASBB's consent, that the aggregate allowances for loan and lease losses for ASBB and First Bancorp are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of ASBB or First Bancorp, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of ASBB or First Bancorp under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

- that the merger and any related transactions (including the subsidiary bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed by KBW and referred to above) with no additional payments or adjustments to the merger consideration (including the allocation between cash and stock);

- that the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

- that each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

- that there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transaction (including the subsidiary bank merger) and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

- that in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction (including the subsidiary bank merger), no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of ASBB, First Bancorp, or the pro forma entity, or the contemplated benefits of the merger, including without limitation the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of ASBB that ASBB relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to ASBB, First Bancorp, the merger and any related transaction (including the subsidiary bank merger), and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, to the holders of ASBB common stock of the merger consideration to be received by such holders in the merger. KBW expressed no view or opinion as to any other terms or aspects of the merger or any term or aspect of any related transaction (including the subsidiary bank merger), including without limitation, the form or structure of the merger (including the form of merger consideration or the allocation thereof between cash and stock) or any such related transaction, any

consequences of the merger or any such related transaction to ASBB, its shareholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion

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and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. For purposes of its analyses, KBW did not incorporate recently-announced proposed changes to United States tax laws regarding corporate tax rates (except to the extent reflected in publicly available consensus “street estimates” of First Bancorp referred to above that were used and relied upon by KBW). KBW’s opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of ASBB to engage in the merger or enter into the merger agreement;
- the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by ASBB or the ASBB Board of Directors;
- the fairness of the amount or nature of any compensation to any of ASBB’s officers, directors or employees, or any class of such persons, relative to the compensation to the holders of ASBB common stock;
- the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of ASBB (other than the holders of ASBB common stock solely with respect to the merger consideration, as described in KBW’s opinion and not relative to the consideration to be received by holders of any other class of securities) or holders of any class of securities of First Bancorp or any other party to any transaction contemplated by the merger agreement;
- any adjustment (as provided in the merger agreement) to the merger consideration (including to the cash or stock components thereof) assumed to be paid in the merger for purposes of KBW’s opinion;
- whether First Bancorp has sufficient cash, available lines of credit or other sources of funds to enable it to pay the aggregate amount of the cash consideration to the holders of ASBB common stock at the closing of the merger;
- the election by holders of ASBB common stock to receive the cash consideration or the stock consideration, or any combination thereof, or the actual allocation between the cash consideration and the stock consideration among such holders (including, without limitation, any reallocation thereof as a result of proration pursuant to the merger agreement), or the relative fairness of the stock consideration and the cash consideration;
- the actual value of First Bancorp common stock to be issued in the merger;
- the prices, trading range or volume at which ASBB common stock or First Bancorp common stock would trade following the public announcement of the merger or the prices, trading range or volume at which First Bancorp common stock would trade following the consummation of the merger;
- any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or
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any legal, regulatory, accounting, tax or similar matters relating to ASBB, First Bancorp, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction (including the subsidiary bank merger), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, ASBB and First Bancorp. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the ASBB Board of Directors in making its determination to approve the merger agreement and the merger.

Consequently, the analyses

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described below should not be viewed as determinative of the decision of the ASBB Board of Directors with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between ASBB and First Bancorp and the decision of ASBB to enter into the merger agreement was solely that of the ASBB Board of Directors.

The following is a summary of the material financial analyses presented by KBW to the ASBB Board of Directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the ASBB Board of Directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below includes information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of \$43.12 per outstanding share of ASBB common stock, consisting of the sum of (i) the implied value of the stock consideration of 1.44 shares of First Bancorp common stock, based on the closing price of First Bancorp common stock on April 28, 2017, multiplied by 90%, and (ii) the cash consideration of \$41.90, multiplied by 10%. In addition to the financial analyses described below, KBW reviewed with the ASBB Board of Directors for informational purposes, among other things, the implied transaction multiples for the proposed merger of 24.4x ASBB's estimated 2017 earnings per share ("EPS") and 18.6x ASBB's estimated 2018 EPS using financial and operating forecasts and projections of ASBB that were provided by ASBB management and based on the implied transaction value for the proposed merger of \$43.12 per outstanding share of ASBB common stock.

ASBB Selected Companies Analysis

Using publicly available information, KBW compared the financial performance, financial condition and market performance of ASBB to 16 selected U.S. banks and thrifts which were traded on NASDAQ, the New York Stock Exchange or NYSE MKT and headquartered in the Southeast region (defined as Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia) and which had total assets between \$500 million and \$1.25 billion and latest 12 months ("LTM") core return on average assets between 0.25% and 1.00%. Targets of publicly announced merger transactions were excluded from the selected companies.

The selected companies were as follows:

Atlantic Coast Financial Corporation	First South Bancorp, Inc.
Auburn National Bancorporation, Inc.	HomeTown Bankshares Corporation
Bank of the James Financial Group, Inc.	Old Point Financial Corporation
Citizens Holding Company	Peoples Bancorp of North Carolina, Inc.
Colony Bankcorp, Inc.	Select Bancorp, Inc.
Community Bankers Trust Corporation	SmartFinancial, Inc.
Fauquier Bankshares, Inc.	Southern National Bancorp of Virginia, Inc.
First Community Corporation	Sunshine Bancorp, Inc.

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To perform this analysis, KBW used profitability and other financial information for, as of, or, in the case of LTM information, through, the most recent completed quarter (“MRQ”) available (which in the case of ASBB was the fiscal quarter ended March 31, 2017, except as noted) and market price information as of April 28, 2017. KBW also used 2017 and 2018 EPS estimates taken from financial and operating forecasts and projections of ASBB that were provided by ASBB management and consensus “street” estimates for the selected companies to the extent publicly available (consensus “street” estimates were not publicly available for eight of the selected companies). Where consolidated holding company level financial data for the selected companies was unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in ASBB’s historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW’s analysis showed the following concerning the financial performance of ASBB and the selected companies:

	ASBB	Selected Companies			
		25th Percentile	Median	Average	75th Percentile
LTM Return on Average Assets	0.24%	0.59%	0.73%	0.68%	0.82%
LTM Return on Average Equity	2.09%	6.09%	7.35%	6.94%	8.37%
LTM Core Return on Average Assets(1)	0.79%	0.58%	0.70%	0.70%	0.85%
LTM Core Return on Average Equity(1)	6.81%	5.71%	7.08%	7.02%	8.40%
LTM Net Interest Margin	3.16%(3)	3.47%	3.67%	3.61%	3.83%
LTM Fee Income/Revenue Ratio(2)	24.3%	10.8%	18.8%	18.0%	23.6%
LTM Efficiency Ratio	70.5%	76.5%	73.1%	71.7%	69.1%

(1)

Core income excluded extraordinary items, non-recurring items (including, in the case of ASBB, the non-core charge attributable to ASBB’s settlement of its qualified pension plan liability during the fourth quarter of 2016), gains/losses on sale of securities and amortization of intangibles.

(2)

Excluded gains/losses on sale of securities.

(3)

Reflects LTM period ended December 31, 2016.

KBW’s analysis also showed the following concerning the financial condition of ASBB and the selected companies:

	ASBB	Selected Companies			
		25th Percentile	Median	Average	75th Percentile
Tangible Common Equity/Tangible Assets	11.67%	8.63%	9.47%	9.45%	9.98%
Leverage Ratio	11.89%	9.41%	10.30%	10.43%	10.81%
Common Equity Tier 1 Ratio	15.97%	11.88%	12.52%	12.96%	13.05%
Total Capital Ratio	17.07%	13.27%	14.14%	14.55%	15.42%
Loans/Deposits	89.4%	75.9%	85.2%	83.3%	91.1%
Loan Loss Reserve/Gross Loans	1.08%	0.94%	1.03%	1.02%	1.18%
Nonperforming Assets/Loans + OREO	1.76%(1)	2.64%	1.41%	2.00%	1.09%
LTM Net Charge-Offs/Average Loans	0.06%	0.20%	0.05%	0.08%	0.01%

(1)

Ratio as of December 31, 2016.

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In addition, KBW's analysis showed the following concerning the market performance of ASBB and, to the extent publicly available, the selected companies (excluding the impact of the LTM EPS multiple for one of the selected companies and the 2017 EPS multiple for another of the selected companies, which multiples were considered to be not meaningful because they were greater than 70.0x):

	ASBB	Selected Companies			
		25th Percentile	Median	Average	75th Percentile
One-Year Stock Price Change	35.3%	20.8%	37.4%	35.7%	49.6%
One-Year Total Return	35.3%	21.9%	37.5%	37.5%	52.0%
Year-To-Date Stock Price Change	17.8%	5.8%	10.5%	10.3%	14.3%
Stock Price/Tangible Book Value per Share	1.42x	1.34x	1.42x	1.47x	1.52x
Stock Price/LTM EPS	20.1x(1)	17.5x	18.5x	20.9x	21.6x
Stock Price/2017 Estimated EPS	19.8x	16.6x	18.1x	19.6x	21.3x
Stock Price/2018 Estimated EPS	15.1x	14.0x	15.7x	16.2x	17.7x
Dividend Yield(2)	0.0%	0.0%	1.5%	1.4%	1.8%
LTM Dividend Payout(2)	0.0%	0.0%	31.6%	26.3%	39.6%

(1)

Reflects LTM Core EPS multiple because LTM GAAP EPS multiple for ASBB was considered to be not meaningful because it was greater than 70.0x.

(2)

Dividend yield and LTM dividend payout calculated using MRQ dividend annualized as a percentage of stock price and LTM EPS, respectively.

No company used as a comparison in the above selected companies analysis is identical to ASBB. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

First Bancorp Selected Companies Analysis

Using publicly available information, KBW compared the financial performance, financial condition and market performance of First Bancorp to 14 selected U.S. banks and thrifts which were traded on NASDAQ, the New York Stock Exchange or NYSE MKT and headquartered in the Southeast region and which had total assets between \$2.0 billion and \$6.0 billion. Targets of publicly announced merger transactions were excluded from the selected companies.

The selected companies were as follows:

Atlantic Capital Bancshares, Inc.	First Community Bancshares, Inc.
Bear State Financial, Inc.	Franklin Financial Network, Inc.
Capital City Bank Group, Inc.	HomeTrust Bancshares, Inc.
CenterState Banks, Inc.	Seacoast Banking Corporation of Florida
City Holding Company	State Bank Financial Corporation
FB Financial Corporation	WashingtonFirst Bankshares, Inc.
Fidelity Southern Corporation	Xenith Bankshares, Inc.

To perform this analysis, KBW used profitability and other financial information for, as of, or, in the case of LTM information, through, the most recent completed quarter available (which in the case of First Bancorp was the fiscal quarter ended March 31, 2017) and market price information as of April 28, 2017. KBW also used 2017 and 2018 EPS estimates taken from consensus "street estimates" for First Bancorp and the selected companies to the extent

publicly available (consensus “street” estimates were not publicly available for one of the selected companies). Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in First Bancorp’s historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

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KBW's analysis showed the following concerning the financial performance of First Bancorp and the selected companies:

	First Bancorp	Selected Companies			
		25th Percentile	Median	Average	75th Percentile
LTM Return on Average Assets	0.79%	0.79%	1.04%	1.03%	1.23%
LTM Return on Average Equity	7.43%	7.49%	9.04%	9.34%	12.57%
LTM Core Return on Average Assets(1)	0.87%/0.97%(3)	0.96%	1.04%	1.11%	1.30%
LTM Core Return on Average Equity(1)	8.11%/9.08%(3)	8.13%	9.70%	9.98%	12.44%
LTM Net Interest Margin	4.03%	3.33%			