

## Carolina Bank Holdings, Inc. (NASDAQ: CLBH; Greensboro, NC) has agreed to merge with First Bancorp (NASDAQ: FBNC; Southern Pines, NC)

**Deal Value: Approximately \$97.3 million**

Sandler O'Neill served as exclusive financial advisor to Carolina Bank Holdings, Inc. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 83<sup>rd</sup> bank or thrift transaction nationwide since January 1, 2015 representing \$23.7 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2014, Sandler O'Neill has advised the Buyer or Seller on every transaction in North Carolina, South Carolina or Virginia with a deal value greater than \$90 million. There have been 14 such transactions with an aggregate deal value over \$4.0 billion.<sup>1</sup>

Southern Pines, NC and Greensboro, NC, June 22, 2016 – First Bancorp (Nasdaq: FBNC) the parent company of First Bank, announced today the signing of a definitive merger agreement under which First Bancorp will acquire Carolina Bank Holdings, Inc. (Nasdaq: CLBH) the parent company of Carolina Bank, in a cash and stock transaction with a total current value of approximately \$97.3 million, or \$19.26 per share.

The merger agreement has been unanimously approved by the boards of directors of each company. The transaction is expected to close in the fourth quarter of 2016 or first quarter of 2017 and is subject to customary conditions, including regulatory approval and approval by Carolina Bank Holdings shareholders. Subject to the terms of the merger agreement, Carolina Bank Holdings shareholders will receive either 1.002 shares of First Bancorp's common stock or \$20.00 in cash for each share of Carolina Bank Holdings common stock, subject to the total consideration being 75% stock / 25% cash, which equates to a deal value of \$19.26 per share based on First Bancorp's closing stock price on June 21, 2016 of \$18.98.

Upon completion of the acquisition, the combined company will have approximately \$4.1 billion in assets, \$3.0 billion in loans and \$3.4 billion in deposits. This transaction represents a strategic and financially attractive combination for both companies' shareholders and will solidify First Bancorp's position as one of the top community banks in North Carolina.

"Carolina Bank is an outstanding addition to our company as we continue our expansion into higher growth markets", said Richard Moore, Chief Executive Officer of First Bancorp, "We are excited to welcome Carolina Bank's customers, employees, and communities into the First Bancorp family, and look forward to continuing to develop upon the strong foundation Carolina Bank has built in the Piedmont Triad."

"We are pleased to have this opportunity to join with First Bancorp. The combination provides strong value for our shareholders, including the opportunity to benefit as First Bancorp shareholders going forward," said Robert Braswell, President & CEO of Carolina Bank Holdings. "The combination also provides valuable additional products and services for our customers, an expanded branch network, and new opportunities for our employees."

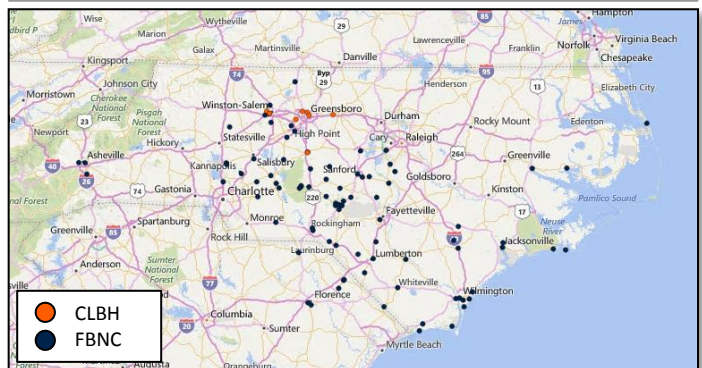
### Financial Highlights

(Dollars in millions)

	FBNC	CLBH
Total Assets	\$3,383	\$706
Total Net Loans	\$2,516	\$485
Total Deposits	\$2,827	\$601
Total Equity	\$350	\$63
TCE / TA	8.24%	8.88%

(1) Excludes terminated transactions and self-advisory roles  
Note: Financial data as of March 31, 2016; Source: SNL Financial

### Pro Forma Branch Map



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