



PRESS RELEASE
FOR IMMEDIATE RELEASE

CONTACT:
Ronald A. Day, President and CEO
First Carolina Financial Services, Inc.

First Carolina Financial Services Announces Completion of \$31.4 million Private Placement

Raleigh & Rocky Mount, North Carolina (December 14, 2020) – First Carolina Financial Services, Inc. (“First Carolina”), parent company of First Carolina Bank (the “Bank”), announced today the completion of a private placement of 1,570,840 shares of its common stock to accredited investors. The shares were sold at a \$20.00 per share offering price, resulting in gross proceeds to the company of \$31,416,800 before deducting fees and expenses of the offering. First Carolina intends to use the proceeds from the private placement to enhance capital ratios, to support growth of the franchise, and for general corporate purposes.

Commenting on the capital raise, Ron Day, President and CEO said, “The completion of this private placement represents another significant milestone for First Carolina. This year has certainly been extraordinary by any measure, and we are extremely proud of how our company, our employees, and our customers, as well as the communities we serve, have performed among the challenges of the ongoing pandemic. We firmly believe that with challenges come opportunities for those that have the right people, processes, and strategies in place. We feel this new capital will allow First Carolina to continue to grow and leverage opportunities in the financial services space, while at the same time continuing to invest in the businesses, people, and communities that make our banking markets so attractive.”

Mr. Day continued, “We remained very disciplined with this capital raise, both from a pricing perspective and with respect to the type of accredited investors that we sought to be part of our shareholder base. We have historically had great success raising capital from North Carolina-based accredited investors, and this capital raise was no different. We are proud to report that we were able to reach our capital goal with funds coming almost exclusively from accredited retail investors primarily based in markets we serve.”

Mr. Day went on to add, “I would be remiss not to mention another significant milestone that First Carolina has achieved during the fourth quarter of 2020, which is that we have now passed the \$1 billion total asset threshold. Over the past couple of years, we have already begun to realize some of the expense efficiencies that come with a growing earning-asset base, so in some sense the achievement is more symbolic than anything else. However, we recognize that each one of those dollars we now hold represents a customer who chose to bank with us or a shareholder who believed in First Carolina and our board of directors’ vision of banking. For that, we are extremely proud and thankful!”

Hovde Group, LLC and Wedbush Securities Inc. served as co-placement agents for the recently completed private offering, and Wyrick Robbins Yates & Ponton LLP served as First Carolina’s legal counsel for the offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities. The securities offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws, and may not be offered or sold in the United States absent registration, or an applicable exemption from registration under the Securities Act and applicable state securities laws.

About First Carolina Financial Services, Inc.

First Carolina Financial Services, Inc. is headquartered in Raleigh, North Carolina, and is the registered bank holding company of First Carolina Bank, a North Carolina state-chartered bank with its main office in Rocky Mount, North Carolina. First Carolina Bank has full-service banking offices in Rocky Mount, Raleigh, Wilmington, Cary and Reidsville, North Carolina, and a loan production office (with a full-service office scheduled to open in March 2021) in Virginia Beach, Virginia. To learn more about First Carolina and its subsidiary bank, please visit our website at www.firstcarolinabank.com.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are typically preceded by, followed by or include words such as “may,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “projects,” “outlook” or similar expressions. Actual results or events might differ materially from those explicit or implicit in the forward-looking statements, and readers of this press release should not place undue reliance on such statements. Important factors that could cause actual results to differ materially include, without limitation: changes in strategy or events that result in different use or uses of the offering proceeds than currently expected; our ability to successfully deploy the new capital; our ability to grow loans and the banking franchise more generally; the effects of the ongoing COVID-19 pandemic on our business, our customers, or the credit quality of our loan portfolio; the effects of future economic conditions; adverse changes in real estate values that affect the value of collateral securing our loans; changes in governmental fiscal and monetary policies; legislative and regulatory changes; the risks of changes in interest rates; fluctuations in our financial results; loss of key personnel; privacy, security and other risks associated with our business. First Carolina assumes no obligation and does not intend to update these forward-looking statements, except as required by law.