

PRESS RELEASE
FOR IMMEDIATE RELEASE

**First Carolina Financial Services Announces Completion
of \$32 Million Subordinated Debt Offering**

Raleigh, North Carolina (April 18, 2022) – First Carolina Financial Services, Inc. (“First Carolina”), parent company of First Carolina Bank (“Bank”), announced today the completion of a private placement of \$32.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes due April 30, 2032. The unsecured debt bears interest at a fixed 4.50% per annum for the first five years and thereafter will reset quarterly to an interest rate per annum equal to the then current three-month term secured overnight financing rate (“SOFR”), plus 193 basis points. The subordinated debt is redeemable by the Company at its option (subject to any required regulatory approvals), in whole or in part, on any quarterly interest payment date occurring on or after the fifth anniversary of the debt’s issuance. First Carolina intends to use proceeds from the private placement for general corporate purposes, to include refinancing existing, shorter-term floating rate indebtedness.

Commenting on the success of the offering, Ronald A. Day, President and CEO said, “We are very pleased to announce the successful execution of this private placement. Combined with our recent completion on March 28, 2022 of a \$115 million private placement of common stock, we will have secured \$147 million in qualifying capital proceeds to support the continued growth of our banking franchise. It is an exciting time to be part of the First Carolina team, and we look forward to the opportunities ahead in the 2022 fiscal year.”

Keefe, Bruyette & Woods, A *Stifel Company* served as sole placement agent for the debt offering. Wyrick Robbins Yates & Ponton LLP served as First Carolina’s legal counsel, and Squire Patton Boggs (US) LLP provided legal counsel to the placement agent.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities. The notes offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended, 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., headquartered in Raleigh, North Carolina, is the registered bank holding company of First Carolina Bank, a North Carolina state-chartered bank headquartered in Rocky Mount, North Carolina, with approximately \$1.6 billion in total assets at March 31, 2022. First Carolina Bank has full-service banking offices in: Rocky Mount, Raleigh, Wilmington, Cary and Reidsville, North Carolina; Virginia Beach, Virginia; and Columbia, South Carolina. The Bank expects to open its eighth full-service office on May 9, 2022, in Atlanta, Georgia. 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 offering proceeds than currently expected; our ability to grow loans and the banking franchise more generally; the effects of future economic conditions, including impacts from inflation, labor shortages and supply chain issues; changes in governmental fiscal and monetary policies; legislative and regulatory changes; changes in interest rates and the resulting impacts on our net interest income, loan demand and borrowings; 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.