



PRESS RELEASE  
FOR IMMEDIATE RELEASE

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

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

**Rocky Mount, North Carolina (December 6, 2019)** – 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 December 2029.

The unsecured notes initially bear interest at a fixed 5.50% per annum, payable semi-annually in arrears on each June 6 and December 6 commencing June 6, 2020 until December 5, 2024. From December 6, 2024 through December 5, 2029 (or up to an earlier redemption date), the interest rate shall reset quarterly to an interest rate per annum equal to LIBOR (or the applicable successor or substitute base rate) plus 394.0 basis points, payable quarterly in arrears. First Carolina intends to use proceeds from the private placement for general corporate purposes, to include enhancing the Bank’s capital ratios, supporting growth of the franchise, and other strategic purposes management may determine in the future.

Commenting on the success of the offering, Ronald A. Day, President and CEO said, “We are very pleased to announce the completion of this private placement. In 2019, we have continued to see very strong organic growth in our banking franchise, while maintaining our constant commitment to credit quality. We believe this additional capital will allow us to continue to take advantage of the strong customer demand for our business model. It is an exciting time to be part of the First Carolina team, and we look forward to the opportunities ahead in the 2020 fiscal year.”

Performance Trust Capital Partners, LLC served as sole placement agent for the private offering, and Wyrick Robbins Yates & Ponton LLP served as First Carolina’s legal counsel. Nelson Mullins Riley & Scarborough LLP provided legal counsel to the placement agent in connection with the offering.

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. is the registered bank holding company of First Carolina Bank, a North Carolina state-chartered bank headquartered in Rocky Mount, North Carolina with \$593 million in total assets at September 30, 2019. First Carolina Bank has full-service banking offices in Rocky Mount, Raleigh, and Reidsville, North Carolina, and loan production offices in Wilmington, North Carolina, and Virginia Beach, Virginia. To learn more about First Carolina and its subsidiary bank, please visit our website at [www.firstcarolinabank.com](http://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 successfully deploy the new capital; our ability to grow loans and the banking franchise more generally; the effects of future economic conditions; 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.