

February 3, 2025

Dear First Carolina Financial Services, Inc. (“Company”) Shareholders:

Today, on behalf of your Board of Directors, I am writing to provide you with an update on your Company and to report continued solid operating results through December 31, 2024, for the Company’s subsidiary bank, First Carolina Bank (“Bank”). In addition, on January 31, 2025, the Bank completed its acquisition of BM Technologies, Inc. as outlined in a separate press release issued today and attached for your reference. We are very excited to welcome our new teammates from BM Technologies, Inc. and believe this combination represents a transformational opportunity for the Bank.

During the fourth quarter of 2024, we also successfully augmented the capital position of the Company and the Bank by completing a private placement of shares of the Company’s common stock, resulting in gross proceeds to the Company of **\$45.4 million** before deducting fees and expenses of the offering. We had 209 investors participate in the raise (72 of which were new shareholders to the Company). Combined with earnings in 2024, we believe this additional capital gives us the ability to remain on offense with emerging opportunities and very responsive to the strong demand for our Bank in the markets we serve.

Our team continues to perform well, as evidenced by the balanced growth and strengthening financial metrics of the Company and Bank overall in 2024. Developing tailwinds, such as the decline in interest rates, helped propel us to another year of high-quality organic growth and improving margins. We are also encouraged by the emerging signals of a more moderate regulatory environment, which may reduce the burden and costs associated with new regulations. During the Bank’s fiscal year ended December 31, 2024, gross loans increased from **\$2.23 billion to \$2.59 billion (16.3% growth)** and total assets from **\$2.73 billion to \$3.04 billion (11.5% growth)**. For the fiscal year ended December 31, 2024, the Bank had unaudited net income of **\$24.5 million** compared to net income of **\$23.1 million** for the year ended December 31, 2023, a **5.9% growth rate**. Tangible common equity of the Bank improved from **\$323.3 million** at December 31, 2023, to **\$389.3 million** at December 31, 2024, a **20.4% growth rate**. We also extended our record of strong asset quality with **“0”** in Other Real Estate Owned property and **“0”** 30-day past due loans on December 31, 2024.

We have used our strong capital and balance sheet positions to take advantage of current conditions, enabling us to build earning assets and revenue momentum heading into 2025. We anticipate that our investments in personnel, new customer relationships, and our strategic acquisition of BM Technologies, Inc. will positively impact the Bank’s performance in coming quarters.

Listed below is additional summary financial statement information for your consideration, and it is followed by a more detailed period-over-period analysis in the attachment to this letter.

**Summary Annual and Period End Financial Results (Unaudited)**

(in thousands, except for per share information)

<b>First Carolina Bank</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Gross Loans	\$2,593,815	\$2,230,443
Total Investments	\$173,011	\$203,769
Total Assets	\$3,039,278	\$2,725,297
Total Low-Cost Deposits	\$1,420,573	\$1,421,031
Total Certificates of Deposit	\$1,099,920	\$947,948
Total Deposits	\$2,520,493	\$2,368,980
Net Income	\$24,452	\$23,086
Net Interest Margin	3.38%	3.02%

Total Risk-Based Capital Ratio	13.91%	12.35%
--------------------------------	--------	--------

**First Carolina Financial Services, Inc. ("FCFS")**

FCFS Shareholders' Equity	\$337,317	\$268,374
FCFS Common Stock Period-End Shares Outstanding	12,307	10,823
FCFS YTD Average Number Shares Outstanding	11,020	10,789
FCFS Book Value / Period-End Shares Outstanding	\$27.41	\$24.80
FCFS Earnings / Average Shares Outstanding	\$1.90	\$1.82

We remain optimistic about our prospects and look forward to seeing you in person in April for our Annual Shareholders Meeting to share more with you about our plans for 2025 and beyond and to thank you for your continuing business and investment. As always, we appreciate your confidence and welcome your thoughts and feedback. We are excited about the future of First Carolina Bank! All our best to you.

Sincerely,



Ronald A. Day  
President and Chief Executive Officer  
252-451-2960  
[ronday@firstcarolinabank.com](mailto:ronday@firstcarolinabank.com)

If you ever have questions regarding your FCFS shares, please contact [investorrelations@firstcarolinabank.com](mailto:investorrelations@firstcarolinabank.com).

**Cautionary Statement Regarding Forward-Looking Statements**

*This letter contains forward-looking statements. These statements reflect, among other things, management's current assumptions, expectations, and beliefs as to the expected outcomes or results of future events and are not guarantees of future performance. Forward-looking statements are typically preceded by, followed by, or include words such as "may," "could," "should," "will," "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 letter should not place undue reliance on such statements. Important factors that could cause actual results to differ materially include, without limitation: the possibility that the anticipated opportunities and benefits of our acquisition of BM Technologies, Inc. will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies; increases in our past due loans, whether due to the current interest-rate environment or other factors; our ability to grow loans and the banking franchise; the effects of future economic conditions, including inflation and changes in real estate values; that our prior investments in personnel and infrastructure may not produce the future benefits we expect; changes in governmental fiscal and monetary policies; legislative and regulatory changes and/or our relationship with our regulators; the risks of further changes in interest rates and potential impacts on loan demand, our borrowings, and our cost of funds; increasing competition for deposits and related funding costs and their impacts on our net interest margin and profitability; fluctuations in our financial results; potential increases in our provisions for credit losses, whether due to economic conditions affecting our borrowers, changes in assumptions, or otherwise; loss of key personnel, including any bankers that may be instrumental to our growth plans; changes in tax law; our ability to attract key talent, including commercial bankers; unexpected increases in non-interest expense that affect our efficiency; and privacy, security and other risks associated with our business. We assume no obligation and do not intend to update these forward-looking statements, except as required by law.*

FOR IMMEDIATE RELEASE:

**First Carolina Bank and BM Technologies, Inc. Announce Completion of  
Transformative Acquisition, Marking Milestone in Digital Banking**

**RALEIGH, N.C. and RADNOR, Pa. (February 3, 2025)** – First Carolina Bank (“Bank”) and BM Technologies, Inc. (“BMTX”) announced today the successful completion of their previously announced strategic combination, a landmark transaction that demonstrates the Bank’s greater commitment to digital banking solutions and higher education financial services. The transaction, pursuant to which the Bank, through a newly formed subsidiary, acquired BMTX for total cash consideration of approximately \$66 million, or \$5.00 for each share of BMTX common stock, closed effective January 31, 2025, and BMTX became a wholly owned subsidiary of the Bank. Jamie Donahue will continue to provide leadership as President and Chief Digital Officer of BMTX.

Ron Day, President and CEO of First Carolina Bank, said, “Today marks a pivotal moment in our strategic evolution. By integrating BMTX’s digital banking platform with our robust regional banking infrastructure, we’re not just acquiring a company—we’re accelerating our digital banking growth strategy and establishing a differentiated market position in higher education financial services.”

Luvleen Sidhu, Founder and outgoing Chair and CEO of BMTX, added, “This transaction represents an optimal outcome for our stockholders, delivering significant value while positioning our innovative platform for continued growth under First Carolina’s stewardship. I’m confident that Jamie and the team will drive this integration forward with the same entrepreneurial spirit and mission to provide millions of Americans with a more affordable, transparent banking experience that has defined BMTX since its inception.”

In addition to an enhanced deposit gathering network and expanded technological capabilities, the acquisition will give First Carolina Bank immediate access to a nationwide digital banking platform that currently serves over 700 college and university campuses.

Wedbush Securities Inc. served as exclusive financial advisor and rendered a fairness opinion to the board of directors to First Carolina Bank in the transaction. Covington & Burling LLP served as legal counsel to First Carolina Bank. Janney Montgomery Scott, LLC served as financial advisor to BM Technologies, Inc.’s Board of Directors, and White & Case LLP served as legal counsel to BM Technologies, Inc.

**Investor/Media Contact:**

Kristen Brabble, First Carolina Bank Chief Operating Officer  
[investorrelations@firstcarolinabank.com](mailto:investorrelations@firstcarolinabank.com)

**About First Carolina Bank**

*First Carolina Bank is a North Carolina state-chartered bank with its main office in Rocky Mount, North Carolina. First Carolina Bank has approximately \$3.1 billion in total assets as of December 31, 2024 and full-service banking offices in Rocky Mount, Raleigh, Wilmington, Cary and Reidsville, North Carolina; Virginia Beach, Virginia; and Columbia and Greenville, South Carolina; and Atlanta, Georgia. To learn more about First Carolina Bank, please visit our website at [www.firstcarolinabank.com](http://www.firstcarolinabank.com).*

**About BM Technologies, Inc.**

*BM Technologies, Inc - formerly known as BankMobile - is among the largest digital banking platforms in the country. It is focused on technology, innovation, easy-to-use products, and education with the mission to financially empower millions of Americans by providing a more affordable, transparent, and consumer-friendly banking experience. BM Technologies, Inc. is a technology company and is not a bank, which means it provides banking services through its partner bank [s]. More information can be found at [www.bmtx.com](http://www.bmtx.com).*

**Company Note Regarding Forward-Looking Statements**

*This press release contains forward-looking statements. These forward-looking statements reflect, among other things, our management's current expectations, assumptions, plans, strategies, and anticipated results, including statements regarding our outlook in digital banking and higher education financial services, the anticipated performance of BM Technologies, Inc. as our wholly owned subsidiary, and our ability to successfully integrate BM Technologies, Inc. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that may differ materially from those contemplated by the 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," "project," "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, risks, and uncertainties that could cause actual results to differ materially include, without limitation: changes in strategy or events that result in changes to our ability to grow loans and the banking franchise more generally; the effects of future economic conditions, including impacts from inflation, changes in unemployment levels and governmental action in response to the foregoing; 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; 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; challenges in connection with the integration of BM Technologies, Inc.; privacy, security, and other risks associated with our business. First Carolina Bank assumes no obligation and does not intend to update these forward-looking statements, except as required by law.*

# First Carolina Bank (FCB)

## Quarterly Balance Sheet

	Ending Balance as of				
	Dec 2024	Sep 2024	Jun 2024	Mar 2024	Dec 2023
(Dollars in thousands, except per share data)					
<b>Assets</b>					
Cash & Due From Banks	\$10,154	\$13,679	\$10,342	\$8,364	\$9,995
Interest Bearing Deposits	\$157,901	\$140,542	\$135,847	\$188,607	\$150,975
Total Cash and Due From Banks	\$168,055	\$154,221	\$146,189	\$196,971	\$160,970
Total Investments	\$173,011	\$215,721	\$197,162	\$212,915	\$203,769
Gross Loans	\$2,593,815	\$2,616,059	\$2,540,548	\$2,370,331	\$2,230,443
Total Allowance for Credit Losses	(\$20,402)	(\$19,804)	(\$19,521)	(\$18,147)	(\$18,897)
Total Loans	\$2,573,413	\$2,596,255	\$2,521,026	\$2,352,184	\$2,211,546
Total Net Fixed Assets	\$35,351	\$34,785	\$35,044	\$33,051	\$32,229
Total Other Real Estate Owned	\$0	\$0	\$0	\$0	\$0
Total Goodwill/Intangible	\$1,792	\$1,792	\$1,792	\$1,792	\$1,792
Total Other Assets	\$87,655	\$83,051	\$82,305	\$94,055	\$114,992
Total Assets	\$3,039,278	\$3,085,826	\$2,983,518	\$2,890,968	\$2,725,297
<b>Liabilities</b>					
Total Non-Interest DDA	\$542,996	\$797,351	\$565,500	\$825,265	\$656,097
MMDA/NOW/Savings	\$877,577	\$848,483	\$882,050	\$835,885	\$764,935
Total Certificates of Deposit	\$1,099,920	\$955,576	\$1,090,428	\$855,496	\$947,948
Total Deposits	\$2,520,493	\$2,601,410	\$2,537,978	\$2,516,646	\$2,368,980
Total Borrowings	\$100,000	\$100,000	\$75,000	\$0	\$0
Total Accrued Expenses	\$15,622	\$24,665	\$18,992	\$24,459	\$14,899
Total Taxes & Other	\$12,022	\$13,612	\$12,880	\$17,393	\$16,350
Total Liabilities	\$2,648,137	\$2,739,688	\$2,644,851	\$2,558,498	\$2,400,228
Total Equity	\$391,141	\$346,138	\$338,668	\$332,470	\$325,069
Total Liabilities & Equity	\$3,039,278	\$3,085,826	\$2,983,518	\$2,890,968	\$2,725,297
<b>Capital Ratios:</b>					
FCB Tier 1 Capital	\$390,847	\$345,087	\$338,300	\$332,394	\$325,153
FCB Total Risk Based Capital	\$415,555	\$370,030	\$364,029	\$357,861	\$351,672
Tier 1 Leverage Ratio	12.85%	11.56%	11.85%	11.56%	12.47%
FCB Risk Based Capital Ratio	13.91%	12.13%	11.94%	12.12%	12.35%
<b>Asset Quality:</b>					
Non Accrual Loans	\$17,418	\$17,209	\$17,209	\$0	\$0
Total Other Real Estate Owned	\$0	\$0	\$0	\$0	\$0
Total Non-Performing Assets	\$17,418	\$17,209	\$17,209	\$0	\$0
<b>Asset Ratios:</b>					
Non Accrual/Loans	0.67%	0.66%	0.68%	0.00%	0.00%
Texas Ratio (NPA & loans >90days/Tier 1)	4.46%	4.99%	5.09%	0.00%	0.00%
Total Reserve to Gross Loans	0.95%	0.95%	1.01%	1.07%	1.18%

### First Carolina Financial Services ("FCFS")

FCFS Total Shareholders' Equity Consol	\$337,317	\$286,827	\$280,219	\$274,890	\$268,374
FCFS YTD Net Income	\$20,911	\$15,208	\$10,018	\$5,674	\$19,628
FCFS YTD Earnings / Average Share Outstanding	\$1.90	\$1.38	\$0.91	\$0.52	\$1.82
FCFS Stock Price	\$35.00	\$34.00	\$34.00	\$32.00	\$31.00
FCFS Book Value / Period-End Shares Outstanding	\$27.41	\$26.04	\$25.46	\$25.00	\$24.80
FCFS Tangible Book Value / Period-End Shares Outstanding	\$27.26	\$25.88	\$25.30	\$24.84	\$24.63
FCFS Period-End Number Shares Outstanding	12,307	11,013	11,006	10,995	10,823
FCFS YTD Average Number Common Stock Shares Outstanding	11,020	11,000	10,994	10,987	10,789
FCFS Return on Average Equity (ROE) YTD	7.43%	7.32%	7.34%	8.41%	7.63%

**First Carolina Bank (FCB)**  
**Quarterly Income Statement**

	Quarter Ended				
	Dec 2024	Sep 2024	Jun 2024	Mar 2024	Dec 2023
(Dollars in thousands, except per share data)					
Interest on Cash Balances	\$1,053	\$1,501	\$1,180	\$2,358	\$852
Total Investments Int Inc	\$2,754	\$2,916	\$2,957	\$3,221	\$3,226
Total Loan Interest Income	\$40,054	\$39,526	\$36,647	\$34,345	\$32,844
Total Loan Fees Income	\$1,811	\$2,034	\$1,933	\$1,797	\$1,900
<b>Total Interest Income</b>	<b>\$45,672</b>	<b>\$45,976</b>	<b>\$42,717</b>	<b>\$41,721</b>	<b>\$38,823</b>
MMDA/NOW/Savings	\$8,368	\$9,021	\$8,979	\$7,800	\$7,817
Total Certificates of Deposit	\$11,424	\$12,426	\$10,792	\$9,697	\$9,710
Total Deposit Expense	\$19,792	\$21,447	\$19,771	\$17,498	\$17,527
Total Borrowing Expense	\$1,071	\$692	\$817	\$68	\$1,989
Total Interest Expense	\$20,863	\$22,139	\$20,588	\$17,566	\$19,516
<b>Net Interest Income</b>	<b>\$24,810</b>	<b>\$23,838</b>	<b>\$22,129</b>	<b>\$24,155</b>	<b>\$19,307</b>
Total Customer Service Fees	\$810	\$802	\$961	\$683	\$415
Total Miscellaneous Income	\$1,003	\$513	\$400	\$302	\$311
Net Gain (Loss) On Sale Investments	\$0	\$0	\$0	\$0	\$0
Net Gain (Loss) On Sale Fixed Assets	\$0	\$0	\$0	\$0	\$0
Net Gain (Loss) On Sale OREO	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Interest Income</b>	<b>\$1,813</b>	<b>\$1,316</b>	<b>\$1,361</b>	<b>\$985</b>	<b>\$725</b>
Total Salary Expense	\$5,519	\$5,292	\$4,873	\$4,778	\$4,610
Total Employee Benefits	\$2,525	\$2,752	\$1,949	\$2,232	\$1,731
Total Fas 91 Benefits	(\$99)	(\$104)	(\$135)	(\$128)	(\$125)
Total Contracted Labor	\$35	\$30	\$30	\$0	\$0
Total Occupancy Expense	\$494	\$491	\$471	\$471	\$453
Total Depreciation	\$453	\$440	\$404	\$340	\$336
Total Equipment Expense	\$242	\$198	\$203	\$175	\$199
Total Intangibles & Org	\$0	\$0	\$0	\$0	\$0
Total Bank Services Expense	\$5,586	\$6,149	\$5,873	\$7,648	\$3,366
Total Other Expenses	\$3,985	\$3,295	\$3,015	\$2,710	\$3,306
<b>Total Non-Interest Expense</b>	<b>\$18,739</b>	<b>\$18,544</b>	<b>\$16,683</b>	<b>\$18,226</b>	<b>\$13,877</b>
Total Provision for Credit Losses	(\$195)	(\$784)	\$265	(\$1,051)	\$260
<b>Income Before Taxes</b>	<b>\$8,079</b>	<b>\$7,393</b>	<b>\$6,542</b>	<b>\$7,966</b>	<b>\$5,895</b>
Total Income Taxes	\$1,447	\$1,345	\$1,328	\$1,407	\$867
<b>Net Income</b>	<b>\$6,632</b>	<b>\$6,048</b>	<b>\$5,213</b>	<b>\$6,558</b>	<b>\$5,029</b>
Net Revenue (1)	\$26,623	\$25,153	\$23,489	\$25,140	\$20,033
Total Expenses (excludes taxes and provision)	\$18,739	\$18,544	\$16,683	\$18,226	\$13,877
<b>Performance Ratios:</b>					
FCB Efficiency Ratio	70.39%	73.72%	71.02%	72.50%	69.27%
Return on Avg. Asssets (ROA)	0.87%	0.81%	0.73%	0.92%	0.77%
Return on Avg. Equity (ROE)	7.50%	7.02%	6.24%	8.03%	6.21%
Net Interest Margin	3.36%	3.28%	3.24%	3.62%	3.09%

(1) Net Revenue calculated as Net Interest Income + Non-Interest Income.-G/L on Sale of Investments