



PRESS RELEASE
FOR IMMEDIATE RELEASE

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

First Carolina Financial Services Announces Completion of \$18.55 Million Private Placement

Rocky Mount, North Carolina (February 28, 2019) – First Carolina Financial Services, Inc. (“First Carolina”), parent company of First Carolina Bank (“Bank”), announced today the completion of a private placement of mandatory convertible subordinated notes to local accredited investors. The notes will pay interest quarterly at 4.00% for three years until they automatically convert to First Carolina common stock based on a per share conversion price determined in accordance with the notes’ terms. Gross proceeds to the company were \$18,550,000 before deducting nominal legal expenses of the offering. 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. As the fastest growing bank in North Carolina in 2018, we have managed remarkable organic growth in our franchise while maintaining a position as one of the safest banks overall in the country. We believe this additional capital will allow us to continue to take advantage of the strong customer demand for our business model. The support we have received from our investors has been outstanding, and it is evidence of their belief in the positive momentum and tangible results we are producing at First Carolina.”

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, 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 more than \$500 million in total assets. First Carolina Bank has full-service banking offices in Rocky Mount, Raleigh, and Reidsville, North Carolina, and a loan production office in Wilmington, North Carolina. 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: 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.