



Williams Mullen Represents Select Bancorp in Merger with New Century Bancorp

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Press Release from New Century Bank. See the press release here.

New Century Bancorp and Select Bancorp jointly reported receipt of regulatory approval from both the Federal Deposit Insurance Corp. and the North Carolina State Banking Commission for the merger of the two subsidiary banks.

In its release on July 10, the Company said that the merger was previously approved by the boards of directors of both companies and it was reported on May 27, that shareholders of both companies also had approved the merger.

The transaction is expected to close July 25, pending final regulatory approval of the merger of the two parent companies. The combined bank, which will be named Select Bank as of Monday, July 28, will have 14 branches.

New Century Bank, which first opened for business in 2000, operates eight branches in the eastern North Carolina communities of Dunn, Clinton, Fayetteville (2), Goldsboro, Lillington, Lumberton and Raleigh and a loan production office (LPO) in Greenville. Total assets, deposits, and loans for New Century Bancorp as of March 31, were \$520.3 million, \$441.3 million, and \$345.8 million, respectively.

Select Bank and Trust Company, which opened for business in 2004, maintains six North Carolina banking offices in Greenville (2), Burlington, Elizabeth City, Gibsonville and Washington. Select Bancorp, Inc. reported total assets, deposits and loans of \$279.4 million, \$223.3 million and \$220.8 million, respectively, as of March 31.

Projected total assets, deposits and loans of the combined company are \$805.0 million, \$667.0 million and \$561.0 million, respectively.

"We are pleased to have received these approvals," said William Hedgepeth, president and CEO of

both New Century Bancorp and New Century Bank. "Now, we are moving forward together as a strong community banking franchise."

Hedgepeth will serve as president and CEO of the combined company, Select Bancorp, Inc., and bank, Select Bank and Trust Company, as of July 25.

Mark Holmes, president and CEO of the current Select Bancorp, Inc. and Select Bank and Trust Company, said, "We've got a great team and they are already hard at work. I look forward to seeing all we can do together for our customers and our communities." Holmes will serve as executive vice president and chief operating officer of the combined bank as of July 25.

Under the terms of the agreement, shareholders of Select common stock will receive 1.8264 shares of New Century common stock for each share of Select common stock, for an implied value of approximately \$29.2 million in the aggregate, based on 2,418,347 shares of Select common stock outstanding as of June 30, and the \$6.60 per share closing price of New Century common stock on July 9, valuing each share of Select common stock at approximately \$12.05 per share.

In addition, each share of Select's issued and outstanding preferred stock will be exchanged for one share of newly issued New Century preferred stock having terms substantially identical to the Select preferred stock. All of the issued and outstanding shares of Select's preferred stock are held by the Secretary of the United States Treasury and were issued in connection with Select's participation in the Small Business Lending Fund.

New Century Bancorp, Inc. was advised by Janney Montgomery Scott and Wyrick Robbins Yates & Ponton served as New Century's legal counsel. Select Bancorp, Inc. was advised by Smith Capital, Inc. and Williams Mullen served as Select's legal counsel.

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