

Crescent Financial Bancshares, Inc. (NASDAQ: CRFN) and ECB Bancorp, Inc. (NYSE Amex: ECBE) to Merge

Deal Value: Approximately \$51.6 million

Sandler O'Neill served as financial advisor to ECB Bancorp, Inc. in this transaction. This transaction is Sandler O'Neill's 75th bank or thrift transaction since January 1, 2010.

Crescent Financial Bancshares, Inc. (Nasdaq:CRFN) and ECB Bancorp, Inc. (NYSE Amex:ECBE) jointly announced today the signing of a definitive merger agreement under which Crescent Financial will acquire ECB Bancorp, Inc. for \$17.75 per share or approximately \$51.6 million.

Under the terms of the agreement, shareholders of ECB Bancorp, Inc. will receive 3.55 shares of CRFN for each share of ECBE common stock. The stock issuance is valued at approximately \$51.6 million in the aggregate, based on 2,904,841 shares of ECBE common stock outstanding at \$5.00 per CRFN share.

Founded in 1919, ECB Bancorp, Inc. operates through its banking subsidiary, East Carolina Bank, which has 25 locations and one LPO (loan production office) in eastern North Carolina.

"The cultures of our two organizations are very similar and we believe this partnership is a great opportunity for the customers, employees and shareholders of both companies," said Scott Custer, President and CEO, Crescent Financial Corporation.

Upon completion of the transaction, the combined company will have approximately \$2.0 billion in total assets, \$1.7 billion in total deposits, \$1.2 billion in total loans, and a network of 45 branches in North Carolina.

"Together we will create value for our respective shareholders and enable our employees to do what they do best – deliver exceptional service to our customers and contribute to the success of the communities where they live and work," said A. Dwight Utz, President and CEO of ECB Bancorp, Inc. The merger agreement has been approved by the board of directors of each company. The transaction is expected to close in the first quarter of 2013 and is subject to customary conditions, including regulatory approvals and approval by both Crescent Financial and ECB Bancorp shareholders. At closing, ECB Bancorp will be merged into Crescent Financial and East Carolina Bank will subsequently operate as VantageSouth Bank.

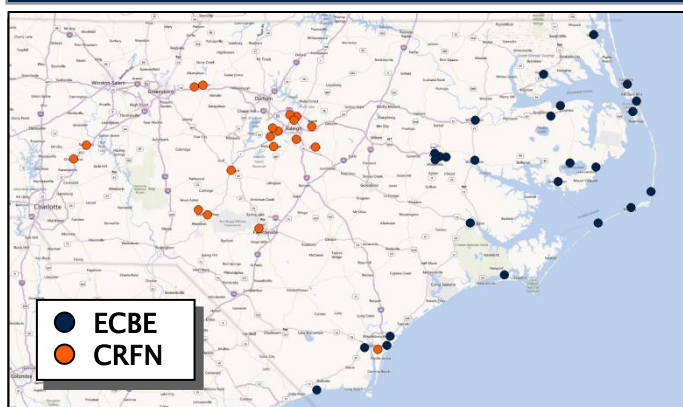
Financial Highlights

(Dollars in millions)

	ECBE	CRFN
Total Assets	\$944	\$820
Net Loans	\$499	\$509
Total Deposits	\$795	\$660
Total Equity	\$83	\$143
Tang. Comm. Equity / Tang. Assets	6.96%	11.79%

*Note: Financial data as of 6/30/12
Source: SNL Financial*

Pro Forma Branch Map



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