

Dear Shareholders and Friends:

Crescent is very proud that the current payment of dividend represents the Company's 35th consecutive quarterly cash dividend on its common stock. The dividend of \$.085 per share, is payable on May 31, 2005 to holders of record on May 16, 2005.

We are very pleased with our performance in the first quarter as we recorded record earnings from our banking franchise. Our expansion strategy has worked well as we begin to see the earnings results of our growth. We are excited and committed to be building a strong community banking franchise in some of the most attractive markets in Georgia, including some of the fastest growing markets in the United States. We believe we are building value in the geographic footprint that we are creating. The Company's 13 offices are located in Bartow, Cherokee, Forsyth, North Fulton, Pickens and Walton counties, Georgia.

The Company continues to experience growth in the loan portfolio as a result of high loan demand in our service areas, as well as the expansion of the Bank's operations in nearby areas of Georgia. The Company completed its acquisition of Futurus Financial Services, Inc. on April 1, giving the Company a full service office at 5225 Windward Parkway, Alpharetta and a commercial lending office at 7720 Hampton Place, Loganville. The Company opened a commercial lending office in April at 3225 Shallowford Road, Marietta.

As of March 31, 2005 the Company had total consolidated assets of approximately \$548.3 million and consolidated shareholders' equity of \$51 million, or \$20.56 per share.

Your continued support of Crescent Bank is invaluable and greatly appreciated.

Sincerely,

Don Boggus, Jr.
President and CEO

BOARD OF DIRECTORS

JOHN H. BENNETT, JR.
Broiler Program Manager
Pilgrim's Pride

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Crescent Bank & Trust Company

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Retired President
The Bargain Barn

CRESCENT
Banking Company
and Subsidiaries
Shareholder Services

P.O. Box 668
Jasper GA 30143-0668

First Quarter 2005



The bank that knows you by name.



CRESCENT BANKING COMPANY
DECLARES QUARTERLY DIVIDEND AND
ANNOUNCES EARNINGS

Crescent Banking Company, Jasper, Georgia (Nasdaq Small Cap—CSNT) (the “Company”) is pleased to announce that its Board of Directors has declared the Company’s 35th consecutive quarterly cash dividend on its common stock. The dividend of \$.085 per share is payable on May 31, 2005 to holders of record on May 16, 2005.

The Company’s net income for the quarter ended March 31, 2005 totaled \$1,016,960, which represented net income per share on a basic and a fully diluted basis of \$0.41 and \$0.40, respectively. In comparison, the Company had net income for the quarter ended March 31, 2004 of \$192,005, which represented net income per share on both a basic and a fully diluted basis of \$0.08. The first quarter 2004 income is net of a \$147,127 loss from the discontinued operations of the Company’s wholesale residential mortgage business that was sold at the end of 2003.

Discontinued Wholesale Mortgage Business

On December 31, 2003, the Company completed the sale of its wholesale residential mortgage business. While the discontinued operations did not affect income in the first quarter 2005, the Company continues to maintain a reserve for the recourse liability to third parties with respect to certain loans sold by the Company’s former wholesale mortgage business prior to the disposition of that business. At March 31, 2005, the Company has indemnified the purchaser of approximately \$7.6 million of mortgage loans sold with recourse pursuant to previous loan sale agreements, compared to \$8.0 million as of December 31, 2004. In the event that the purchaser of these loans experiences losses with respect to these loans, the Company will be required to indemnify the purchaser for its losses or to repurchase the loans from the purchaser. Losses, charged to the reserve, on indemnified loans totaled \$331,091 in the first quarter 2005. The reserve for recourse liability at March 31, 2005 was \$3.4 million and was estimated based upon historical

information on the number of loans indemnified and the average loss on an indemnified loan, including higher risk loans secured by manufactured housing. The two loans that were indemnified in the first quarter of 2005 were closed in 2002. The Company’s highest levels of mortgage production in its history were in 2002 and 2003, and therefore, we could see an increase in indemnified loans in 2005. If the balance of indemnified loan increases significantly, then the Company could have to increase its recourse liability reserve, and our provisions for contingency losses will increase.

Crescent Banking Company is a bank holding company headquartered in Jasper, Georgia with total consolidated assets of approximately \$548.3 million and consolidated shareholders’ equity of \$51.0 million, or \$20.56 per share, as of March 31, 2005. The Company had approximately 2.5 million shares of common stock outstanding at March 31, 2005. The Company’s common stock is listed on the Nasdaq SmallCap Market under the symbol “CSNT.”

Certain of the statements in this press release are “forward-looking statements” for purposes of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements, including statements about the amount and timing of contingency losses and related reserves applicable to residential mortgage loans sold and the effects of the Company’s community banking expansion, including expectations of the costs and profitability of such expansion, are based on information presently available to management and are subject to various risks and uncertainties, including, without limitation, those described herein and in the Company’s annual report on Form 10-K for the year ended December 31, 2004 under “Special Cautionary Notice Regarding Forward Looking Statements” and otherwise in the Company’s SEC reports and filings. We do not undertake any obligation to update our forward-looking statements.

For more information contact:
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Shareholder Services Department
P. O. Box 668
Jasper, GA 30143
678.454.2270 or toll free 800.872.7941
or e-mail us at
shareholderservices@crescentbank.com

(Unaudited)

Three months ending March 31, 2005

Earnings Summary

| Three months ended March 31 | 2005 | 2004 |
|--------------------------------------------------------|-----------|-----------|
| Net interest income | 4,024,539 | 2,834,736 |
| Provision for loan losses | 388,000 | 517,000 |
| Non-interest income | 1,234,587 | 1,073,145 |
| Non-interest expense | 3,218,204 | 2,834,251 |
| Income taxes | 635,962 | 217,498 |
| Income from continuing operations | 1,016,960 | 339,132 |
| Income (loss) from discontinuing operations | - | (147,127) |
| Net Income | 1,016,960 | 192,005 |
| Basic earnings per share | 0.41 | 0.08 |
| Diluted earnings per share | 0.40 | 0.08 |
| Basic earnings per share from continuing operation | 0.41 | 0.14 |
| Diluted earnings per share from continuing operations | 0.40 | 0.13 |
| Basic earnings per share from discontinuing operations | 0.00 | (0.06) |
| Diluted earnings per share from continuing operations | 0.00 | (0.06) |

Performance Ratios (Annualized)

| March 31 | 2005 | 2004 |
|--------------------------|--------|--------|
| Return on average equity | 8.12% | 1.49% |
| Return on average assets | 0.76% | 0.20% |
| Net interest margin | 3.21% | 3.41% |
| Efficiency ratio | 61.19% | 72.53% |

Balance Sheet Summary

| Balance at March 31 | 2005 | 2004 |
|---------------------------------------|-------------|-------------|
| Total assets | 548,299,921 | 392,787,272 |
| Loans | 462,686,899 | 313,110,588 |
| Allowance for Loan Losses | 5,966,983 | 3,659,293 |
| Mortgage loans held for sale | 963,375 | 2,537,711 |
| Securities | 19,391,899 | 21,676,159 |
| Total earning assets | 514,980,516 | 356,570,457 |
| Total deposits and short term funding | 461,137,531 | 307,802,511 |
| Long term funding | 28,825,000 | 28,640,000 |
| Stockholders’ equity | 51,046,925 | 51,846,917 |
| Book value per share | 20.56 | 20.94 |
| Realized book value per share | 20.60 | 20.88 |
| Market value per share | 25.31 | 27.00 |

Asset Quality Data

| March 31 | 2005 | 2004 |
|---------------------------------------------------------------|-------|-------|
| Allowance for loan losses as a percentage of loans | 1.29% | 1.17% |
| Allowance for loan losses to nonperforming assets | 136% | 65% |
| Net charge-offs to average loans outstanding (Annualized) | 0.22% | 0.14% |
| Nonperforming assets to total loans and foreclosed properties | 0.94% | 1.76% |
| Nonperforming loans to total loans | 0.59% | 0.18% |