

Dear Shareholders and Friends:

Crescent Banking Company is very proud that the recent payment of dividend represents the Company's 45th consecutive quarterly cash dividend on its common stock. The dividend of \$.08 per share was paid on December 3, 2007 to holders of record on November 19, 2007.

Net income for the nine months ended September 30, 2007 was \$4.7 million. In comparison, Crescent's total net income for the nine months ended September 30, 2006 was \$5.3 million. This decrease is largely attributable to Crescent's realization of a one-time gain of \$674,000 during the first nine months of 2006 resulting from the Company's investment in another financial institution, a decrease in net interest margin during 2007 and an increase in the provision for loan losses. The decrease in net interest margin is primarily attributable to the higher rate of interest that Crescent must pay on its deposits to be competitive in our market areas. Crescent's loan portfolio increased from \$697.3 million at December 31, 2006 to \$802.2 million at September 30, 2007, representing a \$105.0 million increase for the period. During the first nine months of 2006, our loan portfolio grew by \$78.4 million. Crescent's provision for loan losses increased from \$1,353,000 for the nine months ended September 30, 2006 to \$1,941,000 for the nine months ended September 30, 2007. The increase in the amount of the provision for loan losses was related to the analysis of our loan portfolio, which included the growth of our loan portfolio, as well as the negative effects of the downturn in the real estate, credit and liquidity markets and the corresponding slowdown in the national economy and Crescent's local economy during the past two quarters.

Given the dramatic slowdown in the housing and real estate markets, as well as the general credit and liquidity concerns that have affected the national and global markets, we are pleased with the results of the first nine months of the year. Like most financial institutions, we have felt the effects of this challenging market, as we have experienced a decline in our asset quality and anticipate that we may continue to experience a further decline in future periods. We continue to take a diligent and cautious approach in generating new loans, as well as identifying, reviewing and working to favorably resolve credit issues in our existing portfolio. We expect that we will continue to experience earnings pressures resulting from a lower net interest margin, as the prime rate has experienced a 75 basis point decline since the end of the third quarter of 2007.

As of September 30, 2007, Crescent had total consolidated assets of approximately \$899.6 million and consolidated shareholders' equity of \$65.9 million, or \$12.61 per share of common stock, which reflects the effect of our recent two-for-one common stock split that was completed on October 26, 2007.

Crescent has fourteen offices serving seven counties in northern metropolitan Georgia, including our corporate office, eleven full-service offices and two loan production offices.

Thank you for your continued interest and support of Crescent Banking Company.

Sincerely,

Don Boggus, Jr.
President and CEO

BOARD OF DIRECTORS

J. DONALD BOGGUS, JR.
President & CEO
Crescent Banking Company
Crescent Bank and Trust Company

JOHN S. DEAN, SR.
Retired President & CEO
Amicalola Electric Membership Corporation

CHARLES R. FENDLEY
Senior Vice President & Mortgage Officer
Crescent Bank and Trust Company

CHARLES A. GEHRMANN
Retired President & CEO
Mack Sales of Atlanta

MICHAEL W. LOWE
Chief Executive Officer
Jasper Jeep Sales, Inc.

CECIL PRUETT
Mayor of the City of Canton

JANIE F. WHITFIELD
Retired President
The Bargain Barn

CRESCENT
Banking Company
and Subsidiaries
Shareholder Services
PO Box 2020
Jasper GA 30143

Third Quarter 2007



The bank that knows you by name.



**CRESCENT BANKING COMPANY
DECLARES QUARTERLY DIVIDEND AND ANNOUNCES EARNINGS**

Crescent Banking Company, Jasper, Georgia (Nasdaq Capital Market—CSNT) (the “Company”) is pleased to announce that its Board of Directors has declared the Company’s 45th consecutive quarterly cash dividend on its common stock. The dividend of \$0.08 per share is payable on December 3, 2007 to holders of record on November 19, 2007.

The Company’s net income for the nine months ended September 30, 2007 totaled \$4.7 million, which represented net income per share on a basic and a fully diluted basis of \$0.90 and \$0.85, respectively. In comparison, the Company had net income for the nine months ended September 30, 2006 of \$5.3 million, which represented net income per share on a basic and a fully diluted basis of \$1.02 and \$0.99, respectively. The net income for the first nine months of 2007 represents a decrease of 11.6% from the same period in 2006. This decrease is largely attributable to the Company’s realization of a one-time gain of \$674,000 during the first nine months of 2006 resulting from the Company’s investment in another financial institution, a decrease in net interest margin during 2007 and an increase in the provision for loan losses. The Company’s net interest margin decreased from 3.89% for the first nine months of 2006 to 3.78% for the first nine months of 2007. This decrease in net interest margin is primarily attributable to the higher rate of interest that the Company must pay on its deposits to be competitive in its market areas. During the first nine months of 2007, the loan portfolio grew by \$105.0 million compared to growth of \$78.4 million during the first nine months of 2006. The Company’s provision for loan losses increased from \$1,353,000 for the nine months ended September 30, 2006 to \$1,941,000 for the nine months ended September 30, 2007. The increase in the amount of the provision for loan losses was related to the Company’s analysis of its loan portfolio, which included the growth of the loan portfolio, as well as the negative effects of the downturn in the real estate, credit and liquidity markets and the corresponding slowdown in the national economy and the Company’s local economy during the past two quarters.

The Company’s net income for the quarter ended September 30, 2007 totaled \$1.6 million, which represented net income per share on a basic and a fully diluted basis of \$0.32 and \$0.30, respectively. In comparison, the Company had net income for the quarter ended September 30, 2006 of \$1.8 million, which represented net income per share on a basic and a fully diluted basis of \$0.35 and \$0.34. The decrease in net income for the third quarter of 2007, as compared to the third quarter of 2006, was attributable to the previously described one-time gain in the third quarter of 2006 of \$351,000, a decrease in net interest margin during 2007 and an increase in the provision for loan losses. The Company’s net interest margin decreased from 3.84% during the third quarter of 2006, to 3.81% for the third quarter of 2007. For the quarter ended September 30, 2007, the Company’s provision for loan losses increased by \$248,000 when compared to the same period in 2006, notwithstanding the fact that the Company’s loan portfolio’s growth during the third quarter of 2007 was approximately \$8.2 million less than the loan portfolio growth during the same period of 2006. The increase in the amount of the provision for loan losses for the three months ended September 30, 2007 was the result of the Company’s internal review of its loan portfolio in light of the prevailing negative market conditions.

The Company’s loan portfolio increased from \$697.3 million at December 31, 2006 to \$802.2 million at September 30, 2007, representing a \$105.0 million, or 20.1%, annualized increase. The ratio of the Company’s non-performing assets to total loans and other real estate was 1.06% at September 30, 2007, as compared to 0.61% at December 31, 2006. Non-performing assets at September 30, 2007 consisted of \$3.4 million of non-accrual loans and \$5.1 million of foreclosed properties held in other real estate owned, representing a total of \$8.5 million of non-performing assets at September 30, 2007. Included in the foreclosed properties are a \$3.0 million property that is secured with a residential home located on Lake Lanier in Hall County, Georgia and two properties, totaling \$1.8 million, that are secured by two automobile service centers. The Company reduced the carrying cost of the residential property during the third quarter, resulting in a charge-off of \$250,000. As of September 30, 2007, net charge-offs represented .10% of average outstanding loans, on an annualized basis. The Company increased its allowance for loan losses from \$7.7 million, or 1.15% of total loans, at December 31, 2006, to \$9.4 million, or 1.18% of total loans, at September 30, 2007.

Don Boggus, the Company’s President and Chief Executive Officer, stated: “Given the dramatic slowdown in the housing and real estate markets, as well as the general credit and liquidity concerns that have affected the national and global markets, we are pleased with our performance during the first nine months of this year. Like most financial institutions, we have felt the effects of this challenging market, as we have experienced a decline in our asset quality and anticipate that we may continue to experience a further decline in future periods. We continue to take a diligent and cautious approach in generating new loans, as well as in identifying, reviewing and working to favorably resolve credit issues in our existing portfolio. We also continue to experience earnings pressures resulting from a lower net interest margin,

and we expect that we will continue to experience those pressures in the short-term, as the prime rate has experienced a 75 basis point decline since the end of the third quarter of 2007.”

Recent Stock Split

On October 26, 2007, the Company completed a two-for-one stock split in the form of a 100 percent common stock dividend payable to it shareholders. All of the information in this Press Release gives effect to that stock split.

About Crescent Banking Company

Crescent Banking Company is a bank holding company headquartered in Jasper, Georgia with total consolidated assets of approximately \$899.6 million and consolidated shareholders’ equity of approximately \$65.9 million, or \$12.61 per share, as of September 30, 2007. The Company has 11 full service offices, two loan production offices and a corporate office, located in seven counties in North Georgia. The Company had approximately 5.2 million shares of common stock outstanding at September 30, 2007. The Company’s common stock is listed on the Nasdaq Capital Market under the symbol “CSNT.”

Cautionary Notice Regarding Forward-Looking Statements

Certain of the statements in this Press Release may constitute “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 the future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements, include, without limitation, statements about: the Company’s ability to continue to generate new loans, and to undertake a diligent and cautious approach in doing so; the Company’s ability to identify and resolve credit issues in its portfolio; and the Company’s ability to address and cope with earnings pressures resulting from anticipated decreases in net interest margin.

These forward-looking statements are based upon information presently available to the Company’s management and are inherently subjective, uncertain and subject to change, due to any number of risks and uncertainties, including, without limitation: the Company’s inability to generate new loans on favorable terms and/or with favorable credit profiles, including, without limitation, as a result of increased competitive pressures in the Company’s market areas, further deterioration in the credit and liquidity markets and/or the Company’s failure to maintain and implement adequate internal lending and credit policies; the Company’s inability to properly manage its credit exposure, including, without limitation, any failure by the Company to identify and resolve credit problems, and/or to any failure to maintain adequate reserves to protect itself against any losses resulting from those credit problems; further deterioration of the Company’s asset quality, and/or greater deterioration in asset quality that presently anticipated by the Company; further decreases in net interest margin, or decreases in net interest margin that exceed the Company’s expectations; the Company’s inability to cope with earnings pressures resulting and any further decreases in net interest margin; and those other risks and factors discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006 under the captions “Special Cautionary Notice Regarding Forward Looking Statements” and “Risk Factors,” and otherwise in the Company’s reports and filings that it makes with the Securities and Exchange Commission.

You should not place undue reliance on any forward-looking statements, since those statements speak only as of the date that they are made. The Company has no obligation and does not undertake to publicly update, revise or correct any of the forward-looking statements after the date of this Press Release, or after the respective dates on which such statements otherwise are made, whether as a result of new information, future events or otherwise, except as otherwise may be required by law.

For more information contact:

Crescent Banking Company
Shareholder Services Department
P.O. Box 2020
Jasper, GA 30143
678.454.2270 or toll free 800.872.7941
or e-mail us at
btrivedi@crescentbank.com

(Unaudited)

Nine months ended September 30, 2007

Earnings Summary

Nine months ended September 30	2007	2006
Net interest income	22,090,552	19,815,688
Provision for loan losses	1,941,000	1,353,000
Non-interest income	3,035,497	3,187,518
Non-interest expense	15,958,888	13,133,131
Income taxes	2,637,324	3,243,062
Income from continuing operations	4,588,837	5,274,013
Income from discontinued operations	74,595	-
Net Income	4,663,432	5,274,013
Basic earnings per share	0.90	1.02
Basic earnings per share from continuing operations	0.89	1.02
Basic earnings per share from discontinued operations	0.01	-
Diluted earnings per share	0.85	0.99
Diluted earnings per share from continuing operations	0.84	0.99
Diluted earnings per share from discontinued operations	0.01	-
Cash dividends per share of common stock	0.240	0.178

Performance Ratios (Annualized)

September 30	2007	2006
Return on average equity	9.74%	12.19%
Return on average assets	0.74%	0.96%
Net interest margin	3.78%	3.89%
Efficiency ratio	63.52%	57.09%

Balance Sheet Summary

Balance at September 30	2007	2006
Total assets	899,634,322	760,937,677
Loans	802,245,738	672,147,498
Allowance for Loan Losses	9,426,800	7,731,532
Mortgage loans held for sale	674,287	850,899
Securities	25,062,842	23,287,763
Total earning assets	843,639,403	713,990,143
Total deposits and short term funding	778,108,056	648,747,946
Long term funding	45,167,000	41,462,000
Stockholders’ equity	65,851,109	60,038,973
Book value per share	12.61	11.64
Realized book value per share	12.63	11.69
Market value per share	16.23	22.50

Asset Quality Data

September 30	2007	2006
Allowance for loan losses as a percentage of loans	1.18%	1.15%
Allowance for loan losses to nonperforming assets	110%	261%
Net charge-offs to average loans outstanding (Annualized)	0.10%	0.07%
Nonperforming assets to total loans and foreclosed properties	1.06%	0.44%
Nonperforming loans to total loans	0.42%	0.39%