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**Crescent Financial Corporation Announces
Financial Results For First Quarter Ended March 31, 2008**

CARY, N.C. – Crescent Financial Corporation (Nasdaq:CRFN), parent company of Crescent State Bank of Cary, NC, today announced unaudited net income for the quarter ended March 31, 2008 of \$1,000,000 or \$.10 per diluted share compared with \$1,466,000 or \$.15 per diluted share for the prior year quarter. Earnings for the quarter were impacted by a contraction of net interest margin and the added expenses of continued franchise expansion.

Net interest income increased by 5% from \$6.2 million in the first quarter of 2007 to \$6.5 million in the current quarter. Average earning assets for the first quarter of 2008 increased by 21% or \$137.8 million over the comparative period in 2007. The potential impact of earning asset growth was partially offset by the 300 basis point reduction in the Prime lending rate over the past year. The net interest margin, interest income less interest expense expressed as a percentage of average assets, declined by 54 basis points from 3.81% to 3.27%. The Company continues to experience strong loan demand and as a result, must rely on higher cost forms of money to fund balance sheet growth. The incremental cost of wholesale funds coupled with the competitive nature of loan pricing continues to cause downward pressure on net interest margin.

Non-interest income grew by \$180,000 or 28% from \$629,000 for the prior year quarter to \$808,000 for the three months ended March 31, 2008. Fees earned on origination of brokered residential mortgage loans increased by \$57,000 from \$115,000 to \$172,000. Revenues from service charges and other deposit related fees increased by \$34,000 and earnings on cash value of bank owned life insurance and other miscellaneous fees increased by \$15,000 and \$9,000, respectively. During the quarter we benefited from the recovery of \$72,000 from a deposit account previously written off in 2007.

Non-interest expenses increased by \$801,000 or 19% from \$4.2 million during the first quarter of 2007 to \$5.0 million for the current year quarter. The Company has opened two new branch offices over the past twelve months and relocated one branch office to a larger, more favorable location, which have impacted both personnel and occupancy expense. Together, \$515,000 of the total increase is attributable to these two areas with personnel increasing \$400,000 and occupancy increasing \$115,000. Other areas experiencing increases from the prior year quarter include FDIC insurance assessments, advertising and marketing, loan related collection fees and other professional fees.

The provision for loan losses was \$806,000 for the first quarter of 2008 compared with \$359,000 a year ago. As of December 31, 2007, the Company had \$2.7 million of non-performing loans. During the first quarter, the majority of those non-accrual loans were foreclosed and moved to other real estate owned. Net charge-offs related to those loans were \$654,000 or 0.38% of average loans on an annualized basis compared to \$27,000 or 0.02% for the prior year quarter. At March 31, 2008, non-performing loans as a percentage of total loans is 0.04% and total non-performing assets as a percentage of total assets is 0.29% compared with 0.40% and 0.36%, respectively, at year end December 31, 2007. Management does not expect the volume of future charge-offs to continue at first quarter levels.

Crescent Financial Corporation reported total assets on March 31, 2008 of \$881.1 million reflecting a 17% increase over total assets of \$751.5 million on March 31, 2007. Total net loans increased by 21% from \$578.9 million a year ago to \$702.1 million at March 31, 2008. Total deposits increased 11% from \$590.0 million to \$653.2 million and total borrowings increased by 79% from \$73.2 million to \$131.2 million. Total stockholders' equity grew by 10% from \$85.0 million to \$93.3 million at March 31, 2008 due to earnings, the exercise of stock options and an improvement in the unrealized gain on available for sale securities.

Mike Carlton, President and CEO, stated, "First quarter earnings results did not meet our expectations due to the falling interest rate environment and cleaning up several problem loans identified as non-performing in the fourth quarter of 2007. The swift and pronounced reduction of short-term interest rates by the Federal Reserve caused a significant decline in our net interest margin. We are fortunate to be providing banking services in the faster growing communities of North Carolina and as a result, we continue to be pleased with the solid loan growth while maintaining high credit standards. Additionally, we are pleased to be able to report an increase in non-interest income, predominately through the originations of brokered residential mortgage loans. As we move into the remaining quarters of 2008, we will continue to identify and deliver financial products and services where the demand permits acceptable profit margins and where our company can exceed our customers expectations of quality and service."

About Crescent State Bank:

Crescent State Bank is a wholly owned subsidiary of Crescent Financial Corporation. The Bank has total assets of \$881.1 million, deposits of \$653.2 million, and net loans of \$702.1 million as of March 31, 2008. The bank operates 13 full service banking offices in the communities of Cary (2), Apex, Clayton, Garner, Holly Springs, Sanford, Southern Pines, Pinehurst, Raleigh, Knightdale, and Wilmington (2), North Carolina. For more information, visit www.crescentstatebank.com.

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Information in this press release contains "forward-looking statements." These statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, the risks of changes in interest rates, and the effects of competition. Additional factors that could cause actual results to differ materially are discussed in Crescent Financial Corporation's recent filings with the Securities and Exchange Commission, including, but not limited to, its Annual Report on Form 10-K and its other periodic reports.

Keywords:

Crescent State Bank, Crescent Financial, Global NASDAQ, Michael G. Carlton, Stock Report, CRFN, Quarterly Report, North Carolina Banks, North Carolina Banking, Triangle Banks, Triangle Community Banks, Federal Deposit Insurance Corporation

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