

Media Contacts:

Patty Briguglio
MMI Associates, Inc.
(919) 233-6600
(919) 233-0300 (fax)
patty@mmimarketing.com

Ryal Curtis
MMI Associates, Inc.
(919)233-6600
(919)233-0300 (fax)
ryal@mmimarketing.com

Crescent Financial Corporation Announces Financial Results For Fourth Quarter and Year Ended December 31, 2007

CARY, N.C. – Crescent Financial Corporation (Nasdaq: CRFN), parent company of Crescent State Bank in Cary, N.C., today announced unaudited net income for the year ended December 31, 2007, of \$6,248,800 or \$0.65 per diluted share compared with \$4,904,000 or \$0.64 per diluted share for the year ended December 31, 2006. All financial results for 2006 have been adjusted to reflect the 11-for-10 stock split paid in May 2007. While net income increased by 27%, the increase in earnings per share was not comparable due to 2,675,000 shares, adjusted for the stock split, issued in connection with the acquisition of Port City Capital Bank in August 2006. The increase in net income for 2007 was primarily attributable to strong earning asset growth over the past twelve month period.

Average earning assets for 2007 increased by approximately \$224.2 million to \$716.0 million compared to \$491.8 million for 2006. Growth in earning assets resulted in a 50% increase in interest income changing from \$36.7 million for the prior year to \$54.9 million for 2007. The associated growth in interest-bearing liabilities and increases in the cost of funds resulted in a 64% rise in interest expense. Interest expense on deposits and borrowings increased to \$28.2 million from \$17.3 million for the prior year. Net interest income before loan loss provision increased by 37% to \$26.7 million from \$19.4 million. The provision for loan losses increased by 70% to \$1.7 million as of December 31, 2007, from \$991,000. Although non-interest income was flat for the comparative periods at \$2.6 million, the Company experienced increases in service charges and fees on deposit accounts and other customer service fees. Results were impacted by a decline in mortgage loan origination revenue and losses sustained on the disposal of other real estate owned. Non-interest expenses increased by 27% from \$13.4 million to \$17.8 million primarily in the areas of personnel, occupancy and data processing expenses. The 2006 results included only four months of non-interest expenses attributable to our Wilmington operations as the acquisition of Port City Capital Bank occurred on August 31, 2006.

Unaudited net income for the three-month period ended December 31, 2007, was \$1,772,000 or \$0.19 per diluted share compared with \$1,643,000 or \$.18 per diluted share for the three-month period ended December 31, 2006. In comparing results for the two quarterly periods, net income increased by 8%, net interest income increased by 13%, non-interest income declined by 7% and non-interest expenses increased by 15%. The loan loss provision was \$337,000 for the current three-month period compared to \$374,000 for the prior year period.

Crescent Financial Corporation reported total assets on December 31, 2007, of \$835.5 million reflecting a 20% increase over total assets of \$697.9 million on December 31, 2006. Total net loans increased by 23% from \$542.9 million to \$667.6 million, total deposits increased 12% from \$541.9 million to \$605.4 million and total stockholders' equity grew by 10% from \$83.0 million to \$91.7 million.

Quotes:

"We are pleased to be able to report to our shareholders the significant increases in both balance sheet and net income over the past twelve months despite an extremely challenging climate for the banking industry as a whole," said Michael G. Carlton, president and CEO of Crescent State Bank. "During the year, we further expanded the infrastructure within the organization, completed

the conversion of Port City Capital Bank into Crescent and opened new offices in Garner and Knightdale. These strategic accomplishments are a direct reflection of the continued plan and commitment to build a top-performing financial institution.

"Many of the challenges the banking industry faced in 2007 will continue on into 2008," Carlton added. The narrowing of the net interest margin, slowing national economy, exposure to sub prime mortgages and credit deterioration are just a few examples of volatility within the industry. Fortunately for Crescent, we operate in some of the best markets within the Southeast, have a very clean credit portfolio relative to our peers and have no exposure to the sub prime sector within the lending or investment securities portfolios."

"As we move into 2008 and beyond we remain committed to further expansion of the franchise." "We anticipate opening a new office in Wilmington in the second quarter, and two additional offices in Raleigh before year end. Through our existing twelve branch network and other identified locations, we are well positioned for further successes."

About Crescent State Bank:

Crescent State Bank is a wholly owned subsidiary of Crescent Financial Corporation. The Bank has total assets of \$835.5 million, deposits of \$605.4 million, and net loans of \$667.6 million as of December, 31, 2007. The bank operates twelve full service banking offices in the communities of Cary (2), Apex, Clayton, Garner, Holly Springs, Sanford, Southern Pines, Pinehurst, Raleigh, Knightdale, and Wilmington, North Carolina. For more information, visit www.crescentstatebank.com.

(end)

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

Patty Briguglio
MMI Associates, Inc.
919-233-6600
patty@mmimarketing.com
PR Firms Raleigh, NC

(end)