

For Immediate Release

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First Cherokee Bancshares Raises More than \$5 Million in New Capital as Part of Ongoing Strategic Plan

Woodstock, Ga., July 15, 2009 – First Cherokee Bancshares, the holding company of First Cherokee State Bank, today announced that it has raised \$5.3 million in a capital-raising campaign that began in June.

The capital raise is part of First Cherokee’s strategic plan to help it navigate the recession and real estate market downturn, and emerge well-positioned to benefit from its market advantages and growth opportunities.

“Increasing our capital and liquidity is part of the strategic plan implemented in 2007 focused on bolstering our asset quality and balance sheet to ensure the safety, soundness and long-term success of our bank,” said Carl Hames, chief executive officer. “We realized early on what the recession was likely to do to banks our size. We made the difficult decision to take corrective action to reduce our problem loans earlier in this cycle, and now we’re taking steps to boost our capital and liquidity.”

The initial \$5.3 million in new capital was raised through investments by the company’s executive management team and board of directors.

“This capital raise has been very successful both in terms of the amount raised in a very difficult economy and, more importantly, in the fact that it positions First Cherokee to continue operating successfully and serving our customers and communities in Cherokee, Cobb, Forsyth and Fulton counties,” Hames said. “We’ve been providing high-touch, low-key community banking services and products for 20 years, and we’re looking forward to our next 20.”

About First Cherokee Bancshares

First Cherokee Bancshares, based in Woodstock, Ga., is the holding company for First Cherokee State Bank, a full-service community bank providing a broad range of consumer and business banking services through offices in Cherokee, Cobb, Forsyth and Fulton counties. The company also operates CNT Financial, which provides private client, wealth management, trust and other services to customers nationwide.