

For Immediate Release

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Cherokee Banking Company Raises \$4.1 Million to Bolster its Capital Position and Take Advantage of Growth Opportunities

CANTON, Ga., Nov. 5, 2009 – Cherokee Banking Company (OTCBB: CHKJ), the holding company of Cherokee Bank, N.A., today announced that it has closed a Private Placement Offering of common shares in Cherokee Banking Company in which it raised \$4.1 million. The private offering, managed by Dean Waters of Commerce Street Capital, closed October 29th after the sale of just over 1 million shares.

The company is using \$3.25 million of the offering's proceeds to bolster Cherokee Bank's capital position, bringing its total risk-based capital ratio to 12.45% and its Tier 1 risk-based capital ratio to 8.33% as of September 30, 2009. Cherokee Bank is well capitalized and poised to take advantage of expected future loan and deposit growth opportunities.

"We are delighted to have successfully completed what very few companies have recently been able to achieve; raising additional capital in a very tough economy during a period in which we saw 20 Georgia community banks fail," said Dennis Burnette, president and chief executive officer. "Investors recognized that our underlying philosophy of safety and soundness and avoiding shortcuts to growth or profitability, have positioned us to succeed over the long term. As the only bank headquartered in Canton and with deep roots in Cherokee County - one of the fastest growing markets in the Southeast - we are uniquely positioned to grow a safe, diversified loan portfolio and increase our market share, earnings and shareholder value."

Burnette added, "The fact that board members and employees expressed their confidence in the company's future by purchasing 30 percent of the shares was a key contributor to our success. In addition to being comfortable with the quality of our loan portfolio; investors were impressed

with our experienced management team, the attractive pricing, the Cherokee market potential and our level of core deposits."

About Cherokee Banking Company

Cherokee Banking Company, based in Canton, Ga., is the holding company for Cherokee Bank, a full-service commercial bank providing a broad range of consumer and business banking services through offices in Canton and Woodstock, Ga. The bank focuses on meeting the needs of individuals and small to medium-sized businesses in Cherokee County and adjacent areas of northern metro Atlanta. The company's stock trades on the OTC bulletin board under the symbol CHKJ.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISK FACTORS

This release contains forward-looking statements including statements relating to present or future trends or factors generally affecting the banking industry and specifically affecting Cherokee's operations, markets and products. Without limiting the foregoing, the words "believes," "anticipates," "intends," "expects," or similar expressions are intended to identify forward-looking statements. These forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected for many reasons, including, without limitation, changing events and trends that have influenced Cherokee's assumptions, but that are beyond Cherokee's control. These trends and events include (i) changes in the interest rate environment which may reduce margins, (ii) not achieving expected growth, (iii) less favorable than anticipated changes in the national and local business environments and securities markets, (iv) adverse changes in the regulatory requirements affecting Cherokee, (v) greater competitive pressures among financial institutions in Cherokee's markets, (vi) greater loan losses than historic levels, and (vii) difficulties in expanding our banking operations into a new geographic market. Additional information and other factors that could affect future financial results are included in Cherokee's filings with the Securities and Exchange Commission.

All written or oral forward-looking statements are expressly qualified in their entirety by these cautionary statements. Please also read the additional risks and factors described from time to time in reports and registration statements filed with the Securities and Exchange Commission. Cherokee Banking Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

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