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February 6, 2008

Granite Community Bank, N.A. Announces Conversion to Bank Holding Company Structure

Granite Community Bank, N.A. today announced the completion of their conversion into a Bank Holding Company ownership structure.

The holding company, known as Granite Bancshares, Inc. (OTCBB: GBSI), has been established to take full advantage of the greater financial flexibility this designation affords. A common practice among banks, a bank holding company can borrow money, acquire other banks and non-bank entities more easily and has greater flexibility in managing capital.

"One of the benefits of having a holding company is the ability to raise capital without diluting shareholder value through issuing trust preferred securities," explained Kirk Doyle, Chairman of the Board. "Using the holding company will also give us the ability, if we choose, to repurchase our own stock thereby creating more liquidity for our shareholders."

A majority of the Bank's shareholders approved the conversion to a holding company structure at the Annual Meeting of the Shareholders in May of 2007.

Existing shareholders will be receiving instructions on how to exchange their stock certificates in Granite Community Bank, N.A. into new certificates issued by Granite Bancshares, Inc.

Granite Bancshares, Inc. will be utilizing the services of Illinois Stock Transfer Company to facilitate the exchange, and to act as the Transfer Agent for the company.

Shares in Granite Bancshares, Inc. will trade on the Over the Counter Bulletin Board Exchange (OTCBB) under the Ticker Symbol "GBSI" and will carry the CUSIP Number #387240104.

For additional information, Shareholders should contact:

Shareholder Relations
Granite Bancshares, Inc.
4100 Douglas Blvd,
Granite Bay, CA 95746
916-788-8200

Or

Illinois Stock Transfer Company
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