

June 30, 2007 - Granite Community Bank Announces Second Quarter Results

Granite Community Bank, N.A. (the "Company") (OTCBB: GCBK), today announced results for the quarter ended June 30, 2007. Net income for the three months ended June 30, 2007 increased \$131 thousand or 66% to \$ 331 thousand, compared to net income of \$ 200 thousand in the second quarter of 2006. Earnings per diluted share increased 53 % to \$0.23 in the second quarter of 2007, compared to \$0.15 in the second quarter of 2006. Net income for the six months ended June 30, 2007 increased \$224 thousand or 49% to \$683 thousand, compared to net income of \$459 thousand for the six months ended June 30, 2006. Earnings per diluted share increased 33% to \$0.48 for the six months ended June 30, 2007, compared to \$0.36 for the six months ended June 30, 2006.

Net interest income was \$1.68 million and \$3.33 million in the second quarter and first six months of 2007, respectively, compared to \$1.54 million and \$2.96 million for the same periods in 2006. The net interest margin for the second quarter and first six months of 2007 was 4.61% and 4.67%, respectively. This is a decrease of 16 basis points and 18 basis points compared to the same periods in 2006. Increases in market rates in 2007 have helped to increase the Company's yield on earning assets by 72 basis points in the second quarter of 2007 compared to 2006 and an increase of 60 basis points for the six months ended June 30, 2007 compared to the same period in 2006. Partially offsetting the rise in earning asset yields were increases in the Company's cost of funds. The cost of funds rose 73 basis points to 4.20% in the second quarter of 2007 compared to 3.47% in 2006 and 83 basis points to 4.15% for the six months ended June 30, 2007 compared to 3.32% in 2006.

Non-interest income increased \$6 thousand or 6% in the second quarter of 2007, compared to the second quarter of 2006. For the six months ended June 30, 2007 non-interest income increased \$75 thousand or 38% compared to the same period in 2006.

Non-interest expense increased \$43 thousand or 4% in the second quarter of 2007, compared to the second quarter of 2006 and \$312 thousand or 15% for the six months ended June 30, 2007 compared to the six months ended June 30, 2006.

At June 30, 2007, the Company's total assets were \$151 million, an increase of \$15.9 million or 12%, compared to June 30, 2006. Total loans and leases were \$126 million at June 30, 2007, an increase of \$ 10 million or 8.9%, compared to June 30, 2006. Total deposits were \$123 million at June 30, 2007, an increase of \$10 million or 9%, compared to June 30, 2006.

David R. Kaiser, President and CEO stated, "The entire banking industry is experiencing a decrease in loan demand and our rate of loan growth has slowed accordingly. We have been actively managing our funding sources and this has allowed us to maintain our profitability. We continue to focus on providing quality service to our clients, shareholders and community while simultaneously building shareholder value."

ABOUT GRANITE COMMUNITY BANK, N.A.

Granite Community Bank, N.A. was founded in June of 2002 and is headquartered in Granite Bay, California. A full service community bank serving Placer County, California, Granite Community Bank offers a full array of financial products and services through three offices located in Granite Bay, Roseville and Auburn California. The Bank also operates a mortgage loan production office in Paradise, Butte County, California.

This report contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in these statements. The forward-looking statements are made pursuant to the safe harbor provisions of Section 21D of the Securities Exchange Act of 1934, as amended. Those forward-looking statements are based on management's assumptions and projections, and are sometimes identifiable by the use of the words, 'expect to,'

'plan,' 'will,' 'believe' and words of similar predictive nature. Because management's assumptions and projections are based on anticipation of future events, you should not place undue emphasis on forward-looking statements, and you should recognize that those statements are effective only as of the date of this release. You should anticipate that our actual performance may vary from those projections, and variations may be material and adverse. You should not rely solely on forward-looking statements in evaluating an investment or prospective investment, and you should consider all uncertainties and risks typical of the banking industry. Risks that may cause our results to differ materially and adversely from management's expectations discussed here include: unanticipated additional expenses associated with opening additional facilities; higher than expected costs of regulatory compliance, the impact on reported financial results that may occur with the adoption of new accounting rules and tax regulations; the inability to grow earning assets or the inability to fund loan growth through traditional deposit gathering; as well as general economic conditions in our market area and broader economic changes regionally and nationally, and the effect of bank regulatory changes. Granite Community Bank, N.A. undertakes no obligation to update any forward-looking statements contained herein.