

March 31, 2007 - Granite Community Bank Announces First Quarter Results

Granite Community Bank, N.A. (the "Company") (OTCBB: GCBK) today announced results for the quarter ended March 31, 2007. Net income for the three months ended March 31 2007 increased \$93 thousand, or 36%, to \$352 thousand, compared to net income of \$259 thousand in the first quarter of 2006. Earnings per diluted share increased 32% to \$0.25 in the first quarter of 2007, compared to \$0.19 in the first quarter of 2006.

Net interest income was \$1.66 million in the first quarter, compared to \$1.42 million for the same period in 2006. The net interest margin for the first quarter was 4.72%. This is a decrease of 12 basis points compared to the same period in 2006. Increases in market rates in 2007 have helped to increase the Company's yield on earning assets by 69 basis points in the first quarter of 2007 compared to 2006. Offsetting the rise in earning asset yields were increases in the Company's cost of funds. The cost of funds rose 94 basis points to 4.09% in the first quarter of 2006 compared to 3.15% in 2006.

Non-interest income increased \$69 thousand and 72% in the first quarter of 2007, compared to the first quarter of 2006.

Non-interest expense increased \$269 thousand, or 36%, in the first quarter of 2007, compared to the first quarter of 2006.

At March 31 2007, the Company's total assets were \$156 million, an increase of \$25 million, or 19%, compared to March 31, 2006. Total loans and leases were \$128.4 million at March 31 2007, an increase of \$23.0 million, or 22%, compared to March 31, 2006. Total deposits were \$127.9 million at March 31 2007, an increase of \$16.7 million, or 15%, compared to March 31, 2006.

"We are looking forward to 2007 and are pleased with our results for the first quarter" reported David Kaiser, President and CEO. "Our branch network is strategically located within the marketplace and is well positioned to fully serve the community banking needs of the fast growing South Placer County region of Northern California. At Granite Community Bank we continue to focus on building mutually beneficial relationships with our clients, serving the community, and simultaneously building value for our Shareholders."