

Bank of Granite

NEWS FOR IMMEDIATE RELEASE:

July 14, 2005

Renowned Economist Addresses Bank of Granite Joint Board and Officers Meeting

Economist Dr. Harry M. Davis was keynote speaker at the Bank of Granite joint board and officers meeting held on Tuesday, July 12 at the Holiday Inn Select in Hickory, N.C. Over 125 corporate and local advisory board members and bank officers were in attendance at the meeting presided by Chairman John A. Forlines, Jr.

Dr. Davis shared historic national and state economic information and trends. Optimistic about the North Carolina economy, he stated, "We're actually adding jobs. So far this year we've added 76,000...a little over that." Although the Unifour and other areas in the state have lost manufacturing jobs, he believes retraining along with state and federal assistance will boost employment. "Our state unemployment rate in May was 5.1%...63 counties in North Carolina had their unemployment rate drop." He indicated the strongest sectors of our economy are construction, whether it's commercial or housing, banking services, education, healthcare and tourism, which is a \$13 billion industry for the state. He forecast economic growth of 3.65% this year and employment growth to continue.

The economist for the North Carolina Bankers Association, Dr. Davis is also professor of finance at Appalachian State University Walker School of Business. He is an instructor for the North Carolina School of Banking and the North Carolina Insurance Executive Management School. As a consultant and highly regarded expert in economics, Dr. Davis often speaks at civic, business and industry events, publishes numerous papers and has served on the review board for finance journals. Newspapers, television and radio stations frequently interview him for stories on the economy and banking.

Dr. Davis received an economics degree from the University of North Carolina at Chapel Hill in 1970, masters degree in economics from Vanderbilt University in 1972 and doctorate in finance from University of Georgia in 1976.

Bank of Granite annually hosts a meeting bringing together its officers, corporate board, and members of its eight local advisory boards. The communities and areas in which the bank has these boards include Granite Falls, Hudson, Lenoir, Hickory, Newton/Conover, Morganton, Charlotte/Mecklenburg County and Wilkes County. For a listing of all board members, visit www.bankofgranite.com.

“Our local boards are of the utmost importance to Bank of Granite”, stated Charles Snipes, president and chief executive officer. “They serve as a liaison between the community and the bank to impart constructive criticism to improve our service to the folks in those communities.”

Bank of Granite Corporation is the parent company of Bank of Granite and Granite Mortgage, Inc. The bank operates 21 full service banking offices in Burke, Caldwell, Catawba, Forsyth, Mecklenburg, Watauga and Wilkes Counties. Granite Mortgage, headquartered in Winston-Salem, originates home mortgages in these areas, as well as, in Hilton Head, S.C.

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PHOTO NEXT PAGE



Dr. Harry Davis