

Bank of Granite Corporation (NASDAQ-GRAN)

- Parent of Bank of Granite and Granite Mortgage, Inc. Bank of Granite (founded in 1906) is a community bank, which operates full-service banking offices in the North Carolina counties of Burke, Caldwell, Catawba, Forsyth, Iredell, Mecklenburg, Watauga, and Wilkes.

● Financial Highlights (<i>\$ in thousands, except per share data and ratios</i>)	Six Months Ended June 30, 2010		<i>% change</i>
	2010	2009	
Assets	\$ 987,902	\$ 1,107,504	-10.8%
Deposits	908,644	974,604	-6.8%
Loans, gross	652,895	872,459	-25.2%
Net loss	(16,861)	(8,746)	92.8%
Loss per share - Basic and Diluted	\$ (1.09)	\$ (0.57)	91.2%
Return on average assets*	-3.30%	-1.53%	
Return on average equity*	-78.16%	-24.41%	
Net interest margin*	3.46%	2.84%	
Efficiency ratio (1)	85.18%	102.23%	
Capital to assets	3.49%	5.85%	

* Annualized based on number of days in the period.

(1) Calculated by dividing noninterest expense by the sum of net interest income and noninterest income.