

For Immediate Release:

April 24, 2006

**BANK OF GRANITE CORPORATION ANNUAL MEETING HIGHLIGHTS
EXCELLENT EARNINGS FOR 2005 AND FIRST QUARTER OF 2006**

A large group of interested shareholders gathered Monday, April 24, at the Holiday Inn–Select, in Hickory, for Bank of Granite Corporation’s Annual Meeting.

Shareholders heard reports concerning 2005’s earnings and expenses from both Charles M. Snipes, Chairman and Chief Executive Officer, and R. Scott Anderson, Executive Vice President and Chief Operating Officer. Mr. Snipes described the 2005 performance as “much improved” as Bank of Granite’s investment in new markets and talented bankers began to pay dividends in the form of higher earnings. Mr. Snipes said the Company also increased its cash dividends to shareholders in 2005 for the 52nd consecutive year, which is believed to be a record for any banking company in the United States. Mr. Snipes introduced Mr. Anderson, Executive Vice President and Chief Operating Officer, who spoke on the dynamics that enabled Bank of Granite to celebrate 100-years of community banking. Both Snipes and Anderson said the bank was positioned well for the opportunities ahead and thanked the entire Bank of Granite family—employees, directors, shareholders and customers for their hard work, dedication and support through the years. Kirby A. Tyndall, Chief Financial Officer, gave a report on 2006’s first quarter record earnings.

The meeting opened, as has been the custom for many years, with a prayer by Reverend Parker T. Williamson. A Credentials Committee composed of Kirby A. Tyndall, M. L. (Jack) Moore, Jr., and Rudy L. Snow certified that a quorum was present. There were 12,867,155 shares eligible to vote on the record date, March 1, 2006, and over 95% were either present in person or voted by proxy.

Shareholders elected the following directors: John N. Bray, Leila N. Erwin, Paul A. Fleetwood, III, Hugh R. Gaither, Bob J. McCreary, James Y. Preston, Charles M. Snipes, and Boyd C. Wilson, Jr. John A. Forlines, Jr. retired from the Board of Directors and was succeeded by Leila N. Erwin. Ms. Erwin is President of Morris Investment Company of Charlotte. Prior to her election as a director, Ms. Erwin served as a member of the Bank’s Morganton Board of Directors. In other business, shareholders voted to ratify the appointment of Deloitte & Touche, LLP as the Company’s independent registered public accounting firm for 2006 and to approve an amendment to the Company’s Certificate of Incorporation to increase the maximum number of members of the Board of Directors from nine to twelve.

At the end of the meeting, Mr. Snipes recognized John A. Forlines, Jr., who retired in January after 52-years of distinguished leadership.

Bank of Granite Corporation is the parent of Bank of Granite, which operates 21 full-service banking offices in Burke, Caldwell, Catawba, Forsyth, Mecklenburg, Watauga, and Wilkes counties and Granite Mortgage, Inc., which offers mortgage banking services to the Central and Southern Piedmont and the Foothills. The Company’s stock is traded on The Nasdaq Stock Market® under the symbol GRAN.

For further information, contact Kirby Tyndall, Chief Financial Officer, at Voice 828 496-2026, Facsimile 828 496-2010, or Internet: ktyndall@bankofgranite.com