

GrandSouth Bancorporation reports second quarter 2019 earnings of \$2.0 million; completion of \$10.0 million capital raise.

GREENVILLE, SC, July 18, 2019

GrandSouth Bancorporation (GRRB:OTCQX), the holding company for GrandSouth Bank

GrandSouth Bancorporation today reported earnings of \$2.0 million for the second quarter and \$4.1 million year to date through June 30, 2019. Annualized returns on average assets were 0.95% and 1.01% for the same periods, respectively. For the quarter, this performance represents a 21.84% increase over the same period of 2018's earnings of \$1.7 million. The increase in net income was primarily driven by a \$1.2 million, or 13.59%, increase in net interest income, partially offset by a \$452 thousand provision for loan losses increase and a \$373 thousand increase in noninterest expenses. Year to date, the Company experienced a \$1.1 million, or 34.20%, increase in income over the same period in 2018. This increase was primarily driven by a \$2.4 million, or 13.73%, increase in net interest income, partially offset by a \$347 thousand increase in provision for loan losses and a \$784 thousand increase in noninterest expense.

The Company finished the second quarter of 2019 with total assets of \$864.5 million. This is a \$35.9 million, or 4.34%, increase over the prior quarter and \$88.3 million, or 11.37%, increase year to date. The main driver for asset growth was interest bearing deposits, which increased \$36.1 million, or 5.84%, for the quarter and \$83.7 million, or 14.68%, for the year to date. In addition to the \$8.4 million of common stock issued during the first quarter, the Company issued another \$1.6 million of common stock early in the second quarter, bringing the total to \$10.0 million. Total gross loans ended the second quarter at \$691.2 million, reflecting an increase of \$15.1 million, or 2.24%, for the quarter and \$27.9 million, or 4.21%, year to date.

In early July, the Company opened its first full-service branch in Charleston through the conversion of its existing loan production office at 291 East Bay Street. This new branch will allow for growth in core deposits following the substantial loan growth experienced at this same office.

Nonperforming assets ended the quarter at \$4.8 million, or 0.56% of total assets, a decrease from 0.57% as of the prior quarter's end. Past due, but still accruing, loans, net of the amounts guaranteed by the U.S. Government, decreased to 0.04% of total gross loans as of quarter end, down from 0.23% at March 31, 2019 and 0.32% at December 31, 2018. Asset quality remains a primary focus of the Company.

The specialty floor plan lending division continued to experience solid performance during the second quarter, finishing the period with \$81.9 million in loans outstanding. The credit loss for the second quarter of 2019 was 2.01%, up slightly from 1.85% in the prior quarter and 1.20% in the same quarter a year ago. However, the current credit loss ratio is far below the historical average of 2.83%. This division continues to make a significant contribution to our earnings.

We have built a team of experienced bankers that are proven performers. They are empowered to make local decisions which drives exceptional service that is extremely responsive. Experienced bankers with local decision-making authority leads to extraordinary customer service and is a winning combination. We appreciate the support of our clients and shareholders and value the long-term relationships that are so critical to our company.

Sincerely,



JB Schwiers
President & CEO
GrandSouth Bank

GrandSouth Bancorporation (GRRB:OTCQX), the holding company for GrandSouth Bank, announced today that net income for the second quarter of 2019 was \$2.0 million and the completion of a \$10 million capital raise.

Overview

- Net income was \$2.0 million for the quarter.
- In addition to the 510,017 common stock shares issued in the first quarter, the Company issued an additional 96,044 shares with total net proceeds of \$10.0 million.
- Net loans increased \$14.9 million, or 2.24%, during the quarter.
- Gross loans, excluding specialty floor plan and purchased student loans (“Core Bank loans”), grew \$17.3 million, or 3.11%, during the quarter.
- The Company’s net charge off ratio for the quarter was 0.25%, down from 0.26% in the prior quarter. The Core Bank’s charge off ratio was 0.02%, consistent with the prior quarter.
- The Company’s quarterly efficiency ratio was 67.55%, improving from 73.11% in the same quarter a year ago.

Net Interest Income

Net interest income before provision for loan losses was \$9.9 million for the quarter ended June 30, 2019, up \$1.2 million, or 13.59%, from the same period in 2018. For the six months ended June 30, 2019, net interest income before provision for loan losses increased \$2.4 million, or 13.73%, to \$19.8 million from the same period in the prior year.

Gross loans averaged \$683.8 million for the second quarter of 2019, up \$92.3 million, or 15.60%, from \$591.5 million for the second quarter of 2018. The net interest margin for the second quarter of 2019 was 4.84%, slightly lower than the same period in 2018, when it was 5.12%. Year to date through June 30, 2019, the net interest margin was 5.07%, again slightly lower than the same period in 2018, when it was 5.34%. For the second quarter and year to date, the Company is seeing higher yields in 2019 on investment securities of 0.25% and 0.35%, respectively. Cash equivalents’ yields have increased 0.59% and 0.60% for the same periods. Total gross loans’ yields are up 0.24% for the quarter and the year to date. For the quarter, the yield on student loans has increased 0.58%, the yield on specialty floor plan loans has increased 0.21% and the yield on core bank loans has increased 0.41%. Year to date, the yields on the same portfolios have increased, 0.50%, 0.17% and 0.48%, respectively. The Company’s interest-bearing funds are also experiencing increases. For the same periods, the yield on interest-bearing deposits and liabilities has increased 0.53% and 0.58%, respectively. The primary driver of the net interest margin compression is the growth in investment securities and cash equivalents as a percentage of total interest-bearing assets. When compared to the average balance in the prior year, investment securities and cash equivalents have grown 46.83% and 41.09% for the quarter and year to date, respectively while total interest-bearing asset have only increased 20.13% and 19.84% for the same periods. The Company’s management continues to monitor these balances and rates, making adjustments as appropriate to better position the balance sheet.

Noninterest Income

Noninterest income was \$349 thousand for the second quarter of 2019, an increase of \$107 thousand, or 44.21%, from the second quarter of 2018. Year to date through June 30, 2019, noninterest income increased \$84 thousand, or 14.14%, to \$678 thousand from \$594 thousand in the same period in 2018. This change was primarily driven by increases in service charges on deposit accounts and lower gains on the sale of premises and equipment.

Noninterest Expense

Noninterest expense increased \$373 thousand, or 5.71%, in the second quarter of 2019 when compared to the same period of 2018. For the year to date through the second quarter of 2019, noninterest expense increased \$784 thousand, or 6.08%, over the same period in 2018. These increases are primarily attributable to increases in salaries and employee benefits and decreases in the net loss on sale and impairment of assets acquired in the settlement of loans.

Loan Portfolio

The Company grew gross loans by \$15.1 million, or 2.24%, during the second quarter of 2019 and \$27.9 million, or 4.21%, for the year to date. Specialty floor plan loans fell by \$1.6 million, or 1.89%, and increased by \$1.1 million, or 1.34%, for the quarter and year to date ended June 30, 2019, respectively. During the same respective periods, Core Bank loans grew by \$17.3 million, or 3.11%, and \$29.6 million or 5.42% and purchased student loans continued to experience paydowns totaling \$611 thousand, or 1.77%, and \$2.8 million, or 7.56%.

The composition of our loan portfolio consisted of the following at June 30, 2019, March 31, 2019, and December 31, 2018:

	June 30, 2019	March 31, 2019	December 31, 2018
	(Dollars in thousands)		
Commercial, financial and agricultural	\$ 126,261	\$ 119,785	\$ 119,201
Specialty floor plan loans	81,872	83,449	80,792
Real estate - construction, land development and other	53,764	57,798	57,206
Real estate – mortgage	386,648	371,436	359,798
Purchased student loans	33,829	34,440	36,596
Installment loans to individuals	8,798	9,120	9,686
Loans, gross	<u>691,172</u>	<u>676,028</u>	<u>663,279</u>
Allowance for possible loan losses	<u>(9,677)</u>	<u>(9,465)</u>	<u>(9,188)</u>
Loans, net	<u>\$ 681,495</u>	<u>\$ 666,563</u>	<u>\$ 654,091</u>

Loan Loss Provision and Asset Quality

For the quarter ended June 30, 2019, the provision for loan losses was \$638 thousand, an increase of \$452 thousand, or 243.01%, from the same quarter a year ago. Year to date, the provision for loan losses was \$1.3 million, an increase of \$347 thousand, or 35.02%, over the same period a year ago. Charge offs for the quarter ended June 30, 2019 were \$426 thousand, up from net recoveries of \$446 thousand in the same period in 2018. Year to date in 2019, charge offs were \$849 thousand, up from net recoveries in the same period of 2018 of \$63 thousand. In 2018, to much success, the Company's management made a concerted effort to recover previously charged off loan balances. The results of this effort had the biggest impact in the second quarter of 2018. Gross recoveries in the quarter and year to date ending June 30, 2018 were \$846 thousand and \$1.1 million, respectively. For the same periods in 2019, gross recoveries were \$79 thousand and \$136 thousand, respectively, most of which was related to the normal quarterly activity of the specialty floor plan loan portfolio.

The Allowance for loan losses as a percentage of total gross loans was 1.40% and 1.39% at June 30, 2019 and December 31, 2018, respectively. The Company's management believes the allowance is adequate and continues to monitor trends in environmental factors which may potentially affect future losses.

Assets acquired in the settlement of loans were \$2.8 million at June 30, 2019, down \$802 thousand, or 22.50%, from the \$3.6 million balance at March 31, 2019 and December 31, 2019. Nonaccrual loans increased to \$2.0 million at June 30, 2019 from \$1.1 million at March 31, 2019 and \$491 thousand at December 31, 2018.

Securities Portfolio

Investment securities, all of which are available-for-sale, were \$43.0 million at June 30, 2019, up \$4.8 million, or 12.43% from \$38.2 million at March 31, 2019 and up \$2.7 million, or 6.61%, from \$40.3 million at December 31, 2018.

Securities in our investment portfolio as of June 30, 2019 were as follows:

- callable agency securities in the amount of \$4.0 million
- residential government-sponsored mortgage-backed securities in the amount of \$27.1 million
- taxable municipal bonds in the amount of \$0.5 million
- nontaxable municipal bonds in the amount of \$2.4 million
- treasury securities in the amount of \$9.0 million

During the first quarter of 2019, the Company purchased one taxable municipal bond and six mortgage-backed securities. The Company sold five municipal bonds and four mortgage-backed securities.

Deposits

Total deposits grew \$38.1 million, or 5.23%, during the second quarter of 2019 and \$87.7 million, or 12.92%, during the year to date to \$766.5 million at quarter end. Noninterest bearing deposits increased \$2.0 million, or 1.84%, during the quarter and \$4.0 million, or 3.68%, during the year to \$112.8 million at June 30, 2019.

Borrowings

During the quarter, the Company paid off a \$7 million of Federal Home Loan Bank advance, which was accruing interest at 2.34% before its pay off. As of June 30, 2019, the Company no longer had any Federal Home Loan Bank advances outstanding.

Shareholders' Equity

Shareholders' equity was \$72.7 million at June 30, 2019, an increase of \$4.1 million, or 5.97%, for the quarter and \$15.3 million, or 26.57% for the year. In addition to the normal retention of earnings, exercise of stock options, expense of stock option grants and changes in the fair value of investments, the balance change was impacted in the first quarter of 2019 by the issuance of \$8.4 million, or 510,017 shares, of the Company's common stock and again the second quarter of 2019 by the additional issuance of \$1.6 million, or 96,044 shares of the Company's common stock. Along with the \$10 million in proceeds from the Subordinated Debt issued in the fourth quarter of 2018, the proceeds from the stock issuances will be used to support the Bank's continued organic growth across its current footprint.

Tier 1 Risk Based Capital Ratios were 12.46% and 11.99% for GrandSouth Bancorporation and GrandSouth Bank, respectively, as of June 30, 2019.

GrandSouth Bancorporation is a bank holding company with assets of \$864.5 million at June 30, 2019. GrandSouth Bank provides a range of financial services to individuals and small and medium sized businesses. GrandSouth Bank has six branches in South Carolina, located in Greenville, Fountain Inn, Anderson, Greer, Columbia, Orangeburg and Charleston.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that relate to future events or the future performance of GrandSouth Bancorporation. Forward-looking statements are not guarantees of performance or results. These forward-looking statements are based on the current beliefs and expectations of the respective management of GrandSouth Bancorporation and GrandSouth Bank and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond their respective control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed or implied in these forward-looking statements because of numerous possible uncertainties. Words like "may," "plan," "contemplate," "anticipate," "believe," "intend," "continue," "expect," "project," "predict," "estimate," "could," "should," "would," "will," and similar expressions, should be considered as identifying forward-looking statements, although other phrasing may be used. Such forward-looking statements involve risks and uncertainties and may not be realized due to a variety of factors. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the reports (such as Annual Reports) filed by GrandSouth Bancorporation. You should consider such factors and not place undue reliance on such forward-looking statements. No obligation is undertaken by GrandSouth Bancorporation to update such forward-looking statements to reflect events or circumstances occurring after the issuance of this press release.

GrandSouth Bancorporation and Subsidiary
Greenville, SC
Condensed Consolidated Balance Sheets (Unaudited)

	June 30, 2019	March 31, 2019	December 31, 2018
	(Dollars in thousands)		
Assets			
Cash and due from banks	\$ 41,693	\$ 27,837	\$ 21,048
Interest bearing transaction accounts with other banks	8,091	5,674	7,658
Federal funds sold	45,241	41,729	4,250
Restricted cash	-	1,308	2,060
Cash, cash equivalents and restricted cash	95,025	76,548	35,016
Certificates of deposit with other banks	11,000	12,500	13,750
Securities available-for-sale	42,996	38,242	40,329
Other investments, at cost	698	996	1,183
Loans, gross	691,172	676,028	663,279
Allowance for loan losses	(9,677)	(9,465)	(9,188)
Loans, net of allowance for loan losses	681,495	666,563	654,091
Premises and equipment, net	14,843	14,857	12,105
Bank owned life insurance	6,373	6,721	6,686
Assets acquired in settlement of loans	2,762	3,564	3,564
Interest receivable	5,380	5,256	5,185
Deferred income taxes	2,189	2,003	1,896
Goodwill	737	737	737
Other assets	977	550	1,664
Total assets	\$ 864,475	\$ 828,537	\$ 776,206
Liabilities and Shareholders' Equity			
Liabilities			
Deposits			
Noninterest bearing	\$ 112,828	\$ 110,785	\$ 108,828
Interest bearing	653,650	617,581	569,967
Total deposits	766,478	728,366	678,795
Federal Home Loan Bank advances	-	7,000	14,000
Other borrowings	1,181	1,256	-
Junior subordinated debentures	18,067	18,057	18,047
Interest payable	510	667	416
Other liabilities	5,535	4,580	7,506
Total liabilities	791,771	759,926	718,764
Shareholders' equity			
Preferred stock - Series A - no par value	1,298	1,298	1,298
Common stock - no par value	43,789	42,062	33,374
Retained earnings	27,338	25,312	23,218
Accumulated other comprehensive loss	279	(61)	(448)
Total shareholders' equity	72,704	68,611	57,442
Total liabilities and shareholders' equity	\$ 864,475	\$ 828,537	\$ 776,206

GrandSouth Bancorporation and Subsidiary
Greenville, SC
Condensed Consolidated Statements of Income (Unaudited)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Dollars in thousands)			
Interest income	\$ 13,188	\$ 10,756	\$ 26,044	\$ 21,172
Interest expense	3,322	2,070	6,266	3,781
Net interest income	9,866	8,686	19,778	17,391
Provision for loan losses	638	186	1,338	991
Net interest income after provision for loan losses	9,228	8,500	18,440	16,400
Noninterest income				
Service charges on deposit accounts	227	159	435	310
Gain on sale of securities	13	-	13	-
Net gain on sale of premises and equipment	-	5	19	129
Increase in value of life insurance assets	36	37	70	73
Other	73	41	141	82
Total noninterest income	349	242	678	594
Noninterest expenses				
Salaries and employee benefits	4,374	4,044	8,816	8,243
Premises and equipment	543	491	1,065	955
Net loss on sale and impairment of assets acquired in settlement of loans	(20)	118	(20)	124
Data processing	410	319	749	653
Other expenses	1,594	1,556	3,067	2,918
Total noninterest expenses	6,901	6,528	13,677	12,893
Income before income taxes	2,676	2,214	5,441	4,101
Income tax provision	651	552	1,321	1,031
Net income	\$ 2,025	\$ 1,662	\$ 4,120	\$ 3,070

GrandSouth Bancorporation and Subsidiary
Greenville, SC
Net Interest Margin Analysis (Unaudited)

	For the three months ended					
	June 30, 2019			June 30, 2018		
	Average balance	Interest	Average Yield	Average balance	Interest	Average Yield
Interest earning assets						
Investment securities						
FHLB stock	894	11	4.78%	907	15	6.39%
US agency securities and treasuries	12,923	76	2.35%	5,777	27	1.89%
Mortgage backed securities	23,172	143	2.48%	12,959	72	2.22%
Municipals	5,963	40	2.69%	2,775	13	1.90%
Subtotal, investment securities	42,952	270	2.52%	22,418	127	2.27%
Cash equivalents						
Due from banks, fed funds sold, certificates of deposit and CDARS	94,823	537	2.27%	71,416	300	1.68%
Subtotal, cash equivalents	94,823	537	2.27%	71,416	300	1.68%
Total investment securities and cash equivalents	137,775	807	2.35%	93,834	427	1.82%
Loans						
Consumer loans and line of credit loans	8,779	119	5.46%	7,461	94	5.04%
FFELP student loans	34,243	472	5.53%	41,372	510	4.94%
Commercial loans	97,834	1,406	5.76%	72,521	926	5.12%
Commercial real estate loans	401,477	5,172	5.17%	336,907	4,027	4.79%
Specialty floor plan loans	80,106	4,510	22.58%	74,139	4,134	22.37%
Residential loans and equity loans	56,664	702	4.97%	53,787	638	4.76%
Total loans	679,103	12,381	7.31%	586,187	10,329	7.07%
Total interest bearing assets	816,878	13,188	6.47%	680,021	10,756	6.34%
Interest bearing funds						
Interest-bearing deposits						
Premium accounts	23,406	7	0.11%	8,922	2	0.10%
Money market accounts	233,157	938	1.61%	237,968	734	1.24%
Regular savings accounts	5,416	2	0.15%	4,393	2	0.15%
Certificates of deposit, IRAs and CDARS	377,202	2,090	2.22%	293,011	1,200	1.64%
Total interest bearing deposits	639,181	3,037	1.91%	544,294	1,938	1.43%
Other interest bearing liabilities						
Other borrowings	-	(1)	0.00%	625	8	4.79%
Junior subordinated debentures	18,062	262	5.83%	8,247	83	4.05%
Federal Home Loan Bank advances	4,000	24	2.37%	7,000	41	2.37%
Total other interest bearing liabilities	22,062	285	5.18%	15,872	132	3.34%
Total interest bearing funds	661,243	3,322	2.02%	560,166	2,070	1.48%
Rate spread			<u>4.46%</u>			<u>4.86%</u>
Non-interest bearing funds						
Demand deposit accounts	116,852			99,996		
Total funds and cost of funds	778,095	3,322	1.71%	660,162	2,070	1.26%
Rate spread on funds			<u>4.76%</u>			<u>5.09%</u>
Net interest margin		<u>9,866</u>	<u>4.84%</u>		<u>8,686</u>	<u>5.12%</u>

GrandSouth Bancorporation and Subsidiary
Greenville, SC
Net Interest Margin Analysis (Unaudited), continued

	For the six months ended					
	June 30, 2019			June 30, 2018		
	Average balance	Interest	Average Yield	Average balance	Interest	Average Yield
Interest earning assets						
Investment securities						
FHLB stock	1,037	33	6.42%	1,040	30	5.82%
US agency securities and treasuries	13,839	157	2.27%	5,792	55	1.88%
Mortgage backed securities	20,734	260	2.51%	12,661	134	2.12%
Municipals	6,499	87	2.68%	2,779	26	1.87%
Subtotal, investment securities	42,109	537	2.55%	22,272	245	2.20%
Cash equivalents						
Due from banks, fed funds sold, certificates of deposit and CDARS	71,273	791	2.24%	58,092	473	1.64%
Subtotal, cash equivalents	71,273	791	2.24%	58,092	473	1.64%
Total investment securities and cash equivalents	113,382	1,328	2.35%	80,364	718	1.80%
Loans						
Consumer loans and line of credit loans	8,970	240	5.39%	7,362	181	4.96%
FFELP student loans	35,005	949	5.47%	42,067	1,036	4.97%
Commercial loans	95,787	2,715	5.72%	69,403	1,727	5.02%
Commercial real estate loans	393,885	10,076	5.16%	328,824	7,623	4.68%
Specialty floor plan loans	83,514	9,360	22.60%	77,715	8,645	22.43%
Residential loans and equity loans	56,276	1,376	4.93%	50,824	1,242	4.93%
Total loans	673,437	24,716	7.40%	576,195	20,454	7.16%
Total interest bearing assets	786,819	26,044	6.67%	656,559	21,172	6.50%
Interest bearing funds						
Interest-bearing deposits						
Premium accounts	17,840	10	0.12%	8,097	4	0.11%
Money market accounts	231,060	1,782	1.55%	232,809	1,338	1.16%
Regular savings accounts	5,197	4	0.15%	4,284	3	0.15%
Certificates of deposit, IRAs and CDARS	357,856	3,841	2.16%	277,492	2,145	1.56%
Total interest bearing deposits	611,953	5,637	1.86%	522,682	3,490	1.35%
Other interest bearing liabilities						
Other borrowings	-	(1)	0.00%	591	14	4.85%
Junior subordinated debentures	18,057	528	5.90%	8,247	155	3.79%
Federal Home Loan Bank advances	8,315	102	2.48%	11,773	122	2.09%
Total other interest bearing liabilities	26,372	629	4.81%	20,611	291	2.85%
Total interest bearing funds	638,325	6,266	1.98%	543,293	3,781	1.40%
Rate spread			<u>4.69%</u>			<u>5.10%</u>
Non-interest bearing funds						
Demand deposit accounts	115,633			95,198		
Total funds and cost of funds	753,958	6,266	1.68%	638,491	3,781	1.19%
Rate spread on funds			<u>5.00%</u>			<u>5.31%</u>
Net interest margin		<u>19,778</u>	<u>5.07%</u>		<u>17,391</u>	<u>5.34%</u>

GrandSouth Bancorporation and Subsidiary
Greenville, SC
Financial Highlights (Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
	(Dollars in thousands, except per share)		(Dollars in thousands, except per share)	
Per share data:				
Earnings per share, basic	0.39	0.37	0.84	0.68
Earnings per share, diluted	0.37	0.34	0.79	0.63
Book value per share	13.79	11.61	13.79	11.61
Tangible book value per share	13.64	11.45	13.64	11.45
Tangible book value adjusted for the conversion of Series A preferred stock per share	13.16	11.03	13.16	11.03
Weighted average shares outstanding, basic	5,147,588	4,510,878	4,887,791	4,506,740
Weighted average shares outstanding, diluted	5,504,489	4,902,157	5,244,987	4,893,357
Shares outstanding at end of period	5,179,251	4,517,840	5,179,251	4,517,840
Selected performance ratios and other data:				
Annualized return on average assets	0.95%	0.93%	1.01%	1.04%
Annualized return on average equity	11.43%	12.57%	12.66%	11.84%
Annualized net interest margin	4.84%	5.12%	5.07%	5.34%
Efficiency ratio	67.55%	73.11%	66.85%	71.68%
Annualized charge-offs, net to average loans	0.25%	-0.30%	0.25%	-0.02%
			As of	
	June 30,	December 31,	June 30,	
	2019	2018	2018	
	(Dollars in thousands)			
Shareholders' equity to total assets	8.41%	7.40%	7.38%	
Tier 1 risk-based capital ratio	12.46%	11.36%	10.23%	
Intangible assets				
Goodwill	737	737	737	
Other real estate owned	2,762	3,564	3,069	
Nonaccrual loans	2,013	491	1,944	
Loans past due 90 days and accruing interest (a)	51	43	56	
Total nonperforming assets	4,826	4,098	5,069	
Allowance for loan losses to loans, gross	1.40%	1.39%	1.40%	

(a) - Amount represents the net of the loans wholly or partially guaranteed by the US Government.