

GREENVILLE, S.C.--(PR Newswire)—**GrandSouth Bancorporation** (OTC: GRRB), parent company for GrandSouth Bank (GrandSouth), announced earnings of \$1.66 million or \$.46 per common share, diluted, for the quarter ended June 30, 2015 – an increase of 61% from earnings for the second quarter ended June 30, 2014 of \$1.03 million or \$.30 per common share, diluted. Net income for the six months ended June 30, 2015 equaled \$3.45 million or \$.97 per common share, diluted – an increase of 65% from earnings for the six month period ended June 30, 2014 of \$2.10 million or \$.60 per common share, diluted. Annualized returns on average assets and annualized return on average common equity for the quarter ended June 30, 2015 were 1.67% and 19.1%, respectively, compared with the quarter ended June 30, 2014 returns on average assets and average common equity of 1.04% and 13.7%, respectively. Annualized returns on average assets and average common equity for the six months ended June 30, 2015 were 1.75% and 20.3%, respectively, compared with the six months ended June 30, 2014 returns on average assets and average common equity of 1.06% and 14.2%, respectively.

“The first half of 2015 exhibited strong growth and a significant improvement in earnings when compared with earlier periods”, stated Mason Y. Garrett, Chairman and CEO of GrandSouth. Garrett continued, “The combination of lower credit and funding costs and higher earning assets are producing favorable results. The high level of earnings has enabled our Board of Directors to declare a cash dividend of \$.08 per common share (\$.084 per Series A Preferred Shares) for holders of record as of August 7, 2015 and payable August 21, 2015. This dividend is an increase of 60% over the prior quarter’s payout of \$.05 per common share.

GrandSouth Bank was chartered and opened for business in 1998 and operates three offices located in Greenville, Fountain Inn and Anderson with a new office under construction and expected to be open in Greer in late 2015. The company’s website is [www.grandsouth.com](http://www.grandsouth.com) and GrandSouth Bancorporation currently trades its common stock on the OTC market under the symbol “GRRB”.

*Certain matters set forth in this news release may contain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements.*

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**GrandSouth Bancorporation**  
**Financial Results**  
**June 30, 2015**  
**(Unaudited)**

	Quarter ended				Six Months Ended June 30		Period over period change
	June 2015	March 2015	December 2014	September 2014	2015	2014	
<b>Earnings Summary (dollars in thousands, except for per share data):</b>							
Net income	\$ 1,662	\$ 1,788	\$ 1,218	\$ 1,061	\$ 3,449	\$ 2,095	65%
Net income available to common shareholder	1,619	1,753	1,186	1,014	3,372	2,001	69%
Earnings per common share, diluted	0.46	0.51	0.35	0.30	0.97	0.60	62%
Net interest margin	6.59%	6.75%	6.41%	6.00%	6.64%	6.03%	10%
Return on average equity	15.4%	17.2%	10.5%	9.2%	16.3%	9.3%	74%
Return on average common equity	19.1%	21.6%	15.4%	13.7%	20.3%	14.2%	43%
Dividend payout ratio	10.3%	9.5%	11.2%	9.8%	9.9%	9.1%	9%
Dividend yield	1.6%	2.4%	2.1%	1.8%	1.6%	1.7%	-2%
Return on average assets	1.67%	1.84%	1.26%	1.07%	1.75%	1.06%	65%
<b>Asset Quality Ratios:</b>							
Nonperforming assets as percentage of total assets	2.03%	2.20%	2.64%	3.08%	2.03%	3.25%	-37%
Net charge-offs as percentage of average loans (annualized)	0.34%	0.24%	0.01%	0.03%	0.58%	0.63%	-8%
Allowance for loan losses as percentage of gross loans	1.27%	1.44%	1.56%	1.56%	1.27%	1.45%	-12%
Allowance for loan losses as percentage of nonperforming loans	241.16%	232.63%	201.08%	193.33%	241.16%	119.31%	102%
<b>Capital:</b>							
Tier 1 leverage ratio	12.7%	12.6%	12.2%	13.6%	12.9%	13.4%	-4%
Common share tangible book value	\$ 10.06	\$ 9.67	\$ 9.16	\$ 8.81	\$ 10.06	\$ 8.52	18%
Share price	12.25	8.24	7.50	6.65	12.25	6.60	86%
Share price to tangible book value	122%	85%	82%	76%	122%	77%	57%
Share price to earnings per share	6.6	4.0	5.4	5.5	6.3	5.5	15%
Common shares outstanding	3,337,331	3,325,481	3,325,481	3,313,881	3,337,331	3,313,881	1%
<b>Balance Sheet (dollars in thousands):</b>							
Gross loans	\$ 334,173	\$ 318,291	\$ 308,270	\$ 308,407	\$ 334,173	\$ 309,249	8%
Total deposits	333,214	332,267	306,849	319,516	333,214	317,725	5%
Total assets	403,903	401,558	379,120	388,224	403,903	393,374	3%