



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES SECOND QUARTER 2020 FINANCIAL RESULTS

Glendale, CA, August 18, 2020 - Golden State Bancorp (OTCBB: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter ended June 30, 2020. Highlights include:

- Net loss of \$0.3 million for the second quarter of 2020
- Total assets increased by \$82.6 million, or 23.5%, from \$352.2 million at December 31, 2019 to \$434.8 million
- Loans, net of deferred fees increased \$19.1 million, or 7.5%, from \$253.9 million at December 31, 2019 to \$273.0 million
- Deposits increased by \$59.4 million, or 20.1%, from \$295.8 million at December 31, 2019 to \$355.2 million
- Cash and cash equivalents stood at \$150.1 million
- Credit quality remains strong

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated “We are focused on revamping our foundation, especially in administrative areas such as operations, compliance, BSA/AML and IT infrastructure, to prepare for the next stage of growth. Covid-19 and the March 2020 Federal Reserve cuts in rates of 1.50% have made things challenging. Nevertheless, we are confident that we will come out of this stronger than most banks.”

Tom Vertin, President and Chief Executive Officer of Golden State Bank stated , “In addition to our foundation building, we are focused on operational efficiencies, lowering deposit cost, and making our “fortress” balance sheet even stronger. Our cash balances stood at \$150.1 million and we have had no loan loss to date.”

About Golden State Bancorp and Golden State Bank

Golden State Bancorp is the holding company of Golden State Bank. Golden State Bank is a full service bank, serving the business, commercial and professional markets. The Bank meets financial needs of its business clients with loans for working capital, equipment, owner-occupied and investment commercial real estate, and a full array of cash management services and deposit products for businesses and their owners. Golden State Bank meets its clients’ needs through its head office and branch in Glendale and regional office and branch in Upland. For more information, please visit www.goldenstatebank.com and www.goldenstatebancorp.com.

Forward Looking Statements

Certain statements in this press release that are not historical facts are “forward-looking statements”. Such statements are not guarantees of future performance and are subject to risks and uncertainties that could cause the Bank’s actual results and financial position to differ materially from those included within the forward-looking statements. Specific factors include, but are not limited to, loan production, balance sheet management, expanded net interest margin, the ability to control costs and expenses, interest rate changes and financial policies of the United States government, and general economic conditions. The Bank disclaims any obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained in this release to reflect future events or developments. Forward-looking statements involve risks and uncertainties, including those relating to the illiquidity of the Bank’s stock. Actual results may differ materially from projected results, and reported results should not be considered as an indication of future performance. More information about the Bank is available via the Federal Deposit Insurance Corporation’s website: www.fdic.gov.

GOLDEN STATE BANCORP
Condensed Consolidated Statement of Financial Condition
(Unaudited)

ASSETS

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Cash & due from banks	\$ 4,645,421	\$ 3,585,233
Interest-earning deposit in FRB/FFS	145,503,854	83,020,133
Total Loans, net of deferred fees	273,031,711	253,925,334
Allowance for loan losses	(3,632,813)	(3,377,813)
NET LOANS	<u>269,398,898</u>	<u>250,547,521</u>
Federal Home Loan Bank stock, at cost	1,137,600	951,700
Premises and equipment	1,202,086	1,243,376
Other real estate owned	4,516,857	4,497,357
Operating lease ROU assets, net	1,615,661	1,807,102
Deferred tax asset	4,856,465	4,857,878
Other assets	1,919,020	1,652,875
TOTAL ASSETS	<u>\$ 434,795,861</u>	<u>\$ 352,163,175</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Noninterest bearing deposits	\$ 57,465,733	\$ 46,183,428
Interest bearing deposits	297,692,676	249,570,473
TOTAL DEPOSITS	<u>355,158,410</u>	<u>295,753,901</u>
FHLB borrowings	40,000,000	16,500,000
Other borrowings	5,000,000	5,000,000
Operating lease liabilities	1,841,688	1,991,165
Other liabilities	1,544,427	1,536,172
TOTAL LIABILITIES	<u>403,544,525</u>	<u>320,781,238</u>
TOTAL SHAREHOLDERS' EQUITY	<u>31,251,336</u>	<u>31,381,938</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 434,795,861</u>	<u>\$ 352,163,175</u>

Selected Financial and Ratios

Asset Quality Ratios

Nonperforming loans to total loans, net of deferred fees	0.21%	0.23%
Allowance for loan losses to total loans, net of deferred fees	1.33%	1.33%

Capital Ratios (1)

Tier 1 leverage ratio	8.19%	9.32%
Common equity tier 1 capital ratio	10.72%	10.97%
Tier 1 risk based capital ratio	10.72%	10.97%
Total risk based capital ratio	11.97%	12.22%
Common shares outstanding	1,836,538	1,836,538
Book value per share	\$17.02	\$17.09
Fully diluted book value per share (2)	\$16.02	\$16.08

(1) All ratios calculated are at the "Bank" level, except per share information, which is at the "Bancorp" level.

(2) Fully diluted book value per share is calculated based on fully diluted equity and the total number of common shares that would be outstanding if the in-the-money employee stock options are exercised.

GOLDEN STATE BANCORP
Condensed Consolidated Statement of Income
(Unaudited)

	Three Months Ended		Six Months Ended June 30,	
	June 30, 2020	June 30, 2019	2020	2019
Interest income	\$ 4,020,209	\$ 4,498,893	\$ 8,383,235	\$ 8,796,350
Interest expense	1,479,555	1,447,750	2,938,073	2,742,859
Net interest income	2,540,654	3,051,143	5,445,162	6,053,491
Provision for loan losses	129,000	82,500	255,000	275,000
Net interest income after provision for loan losses	2,411,654	2,968,643	5,190,162	5,778,491
Non-interest income	54,961	110,022	88,144	211,684
Non-interest expense	2,912,324	2,239,440	5,495,235	4,354,351
Income before taxes	(445,709)	839,225	(216,928)	1,635,825
Income tax	(119,669)	255,752	(43,980)	494,105
Net Income	\$ (326,040)	\$ 583,473	\$ (172,948)	\$ 1,141,720