



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES THIRD QUARTER 2018 RESULTS

Glendale, CA, October 23, 2018 - Golden State Bancorp (Ticker Symbol: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter ended September 30, 2018, which was again marked by strong growth in assets, loans, deposits, and income. Highlights include:

- Net Earnings of \$875,378 for the three months and \$2,563,664 for the nine months ended September 30, 2018, as compared to \$615,435 and \$1,586,522, respectively, for the same periods in 2017.
- Total Assets increased \$48.2 million, or 22%, from December 31, 2017 to \$262.7 million.
- Loans, net of deferred fees increased \$31.9 million, or 17%, to \$220.1 million.
- Deposits increased \$45.3 million, or 27%, to \$213.0 million.

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated “Another solid quarter for Golden State Bank. Starting with this past quarter and continuing for the coming few quarters, we will be allocating more resources to enhance our teams and build up our infrastructure in technology, operations, back office and regulatory compliance functions. We believe these investments will pay off and prepare us well for our next stage of growth”

Tom Byington, President and Chief Executive Officer of Golden State Bank stated “Another good quarter towards a great year for the Bank. We are pleased with our results.”

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 is committed to meeting the 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 client’s 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 Selected Financials

GOLDEN STATE BANCORP Condensed Balance Sheet and Certain Financial Ratios (Unaudited)
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ASSETS	<u>9/30/2018</u>	<u>12/31/2017</u>
Cash & due from banks	\$ 3,128,685	\$ 2,483,153
Interest-earning deposit in FRB	33,355,000	17,555,000
Total Loans, net of deferred fees	220,129,318	188,232,940
Allowance for Loan Losses	(2,655,568)	(2,091,968)
NET LOANS	217,473,750	186,140,972
Other real estate owned	5,460,267	5,460,267
Other assets	3,238,457	2,849,692
TOTAL ASSETS	<u>\$ 262,656,159</u>	<u>\$ 214,489,084</u>

LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 42,697,390	\$ 41,654,845
Interest bearing deposits	170,293,842	125,998,376
TOTAL DEPOSITS	212,991,232	167,653,221
FHLB borrowings	20,000,000	20,000,000
Other liabilities	6,013,396	5,867,415
TOTAL LIABILITIES	239,004,628	193,520,636
TOTAL SHAREHOLDERS' EQUITY	23,651,531	20,968,448
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 262,656,159</u>	<u>\$ 214,489,084</u>

Asset Quality Ratios (1)

Nonperforming Loans to Total Loans, net of deferred fees	0.13%	0.16%
Allowance for Loan Losses to Total Loans, net of deferred fees	1.21%	1.11%

Capital Ratios (1)

Tier 1 Leverage Ratio	10.75%	12.10%
Common Equity Tier 1 Risk Based Capital Ratio	11.74%	12.14%
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Total Risk Based Capital Ratio	12.90%	13.22%
Book value per share (2)	\$ 12.90	\$ 11.49
Total Equivalent Common Shares (2)	1,833,539	1,825,539

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

(2) Calculated at 3.6922 conversion ratio on the Series A Preferred Stock that was set on February 28, 2018.

GOLDEN STATE BANCORP
Condensed Income Statement
(Unaudited)

	Three Months Ended:		Nine Months Ended:	
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Interest income	\$ 3,741,441	\$ 2,405,262	\$ 10,102,962	\$ 6,391,466
Interest expense	897,608	367,732	2,226,538	988,962
Net interest income	<u>2,843,833</u>	<u>2,037,530</u>	<u>7,876,424</u>	<u>5,402,504</u>
Provision for loan losses	<u>197,700</u>	<u>100,000</u>	<u>563,600</u>	<u>160,000</u>
Net interest income after provision for loan losses	2,646,133	1,937,530	7,312,824	5,242,504
Noninterest income	104,485	116,644	298,764	276,362
Noninterest expense	<u>1,853,478</u>	<u>1,438,739</u>	<u>5,004,162</u>	<u>3,930,824</u>
Earnings before income taxes	897,140	615,435	2,607,426	1,588,042
Income tax provision	<u>21,762</u>	<u>-</u>	<u>43,762</u>	<u>1,520</u>
NET EARNINGS	<u>\$ 875,378</u>	<u>\$ 615,435</u>	<u>\$ 2,563,664</u>	<u>\$ 1,586,522</u>