



**FOR IMMEDIATE RELEASE**

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**GOLDEN STATE BANCORP ANNOUNCES FIRST QUARTER 2020 FINANCIAL RESULTS**

Glendale, CA, May 19, 2020 - Golden State Bancorp (OTCBB: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter ended March 31, 2020. Highlights include:

- Net income of \$153,000 for the first quarter of 2020
- Total assets increased by \$19.9 million, or 5.7%, from \$352.2 million at December 31, 2019 to \$372.1 million
- Loans, net of deferred fees increased \$11.0 million, or 4.3%, from \$253.9 million at December 31, 2019 to \$264.9 million
- Deposits increased by \$4.3 million, or 1.5%, from \$295.8 million at December 31, 2019 to \$300.0 million
- Cash and cash equivalents stood at \$95.7 million

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated “We had previously said that 2020 was going to be a transition year in which we are going to focus 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. Of course, no one could have predicted, or even planned for, a Covid-19 type pandemic which has wreaked havoc to our economy, hopefully temporarily. And few economists predicted rates to head towards zero again as they had during the last crisis. The March 2020 Federal Reserve cuts in rates of 1.50% were unprecedented. We reacted swiftly and are confident that we will come out of this stronger than most banks. Nevertheless, this will have a significant impact on our Net Interest Margin going forward.”

Mr. Setrakian continued, “As such, in addition to our foundation building, we are focused on operational efficiencies and making our “fortress” balance sheet even stronger. Our cash balances stood at \$95.7 million as of the end of the quarter and are over \$110.0 million as of today. Finally, to the best of our knowledge today, which can of course change depending on future circumstances including the length and impact of the effects of Covid-19, we anticipate no actual loan loss from our portfolio.”

Also, as we had previously reported, Mr. Tom Byington, our CEO for the past 10 years, will officially retire from the Bank as of May 29<sup>th</sup>. We will announce our new CEO shortly.

**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 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](http://www.goldenstatebank.com) and [www.goldenstatebancorp.com](http://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](http://www.fdic.gov).

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

<b>ASSETS</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Cash & due from banks	\$ 7,364,409	\$ 3,585,233
Interest-earning deposit in FRB/FFS	88,289,347	83,020,133
Total Loans, net of deferred fees	264,934,146	253,925,334
Allowance for loan losses	(3,503,813)	(3,377,813)
<b>NET LOANS</b>	<b>261,430,333</b>	<b>250,547,521</b>
Federal Home Loan Bank stock, at cost	951,700	951,700
Premises and equipment	1,213,046	1,243,376
Other real estate owned	4,497,357	4,497,357
Operating lease ROU assets, net	1,711,652	1,807,102
Deferred tax asset	4,856,465	4,857,878
Other assets	1,760,392	1,652,875
<b>TOTAL ASSETS</b>	<b>\$ 372,074,701</b>	<b>\$ 352,163,175</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Noninterest bearing deposits	\$ 52,938,247	\$ 46,183,428
Interest bearing deposits	247,102,261	249,570,473
<b>TOTAL DEPOSITS</b>	<b>300,040,508</b>	<b>295,753,901</b>
FHLB borrowings	32,000,000	16,500,000
Other borrowings	5,000,000	5,000,000
Operating lease liabilities	1,940,262	1,991,165
Other liabilities	1,545,302	1,536,172
<b>TOTAL LIABILITIES</b>	<b>340,526,072</b>	<b>320,781,238</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>31,548,629</b>	<b>31,381,938</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 372,074,701</b>	<b>\$ 352,163,175</b>

**Selected Financial and Ratios**

**Asset Quality Ratios**

Nonperforming loans to total loans, net of deferred fees	0.22%	0.23%
Allowance for loan losses to total loans, net of deferred fees	1.32%	1.33%

**Capital Ratios (1)**

Tier 1 leverage ratio	9.26%	9.32%
Common equity tier 1 capital ratio	10.76%	10.97%
Tier 1 risk based capital ratio	10.76%	10.97%
Total risk based capital ratio	12.01%	12.22%

Common shares outstanding	1,836,538	1,836,538
Book value per share	\$17.18	\$17.09
Fully diluted book value per share (2)	\$16.15	\$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.

<b>GOLDEN STATE BANCORP</b> <b>Condensed Consolidated Statement of Income</b> <b>(Unaudited)</b>
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	Three Months Ended	
	March 31, 2020	March 31, 2019
Interest income	\$ 4,363,026	\$ 4,297,458
Interest expense	1,458,518	1,295,109
Net interest income	2,904,508	3,002,349
Provision for loan losses	126,000	192,500
Net interest income after provision for loan losses	2,778,508	2,809,849
Non-interest income	33,184	101,662
Non-interest expense	2,582,911	2,114,911
Income before taxes	228,781	796,600
Income tax	75,689	238,353
<b>Net Income</b>	<b>\$ 153,092</b>	<b>\$ 558,247</b>