



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES FOURTH QUARTER AND FULL YEAR 2020 FINANCIAL RESULTS

Glendale, CA, March 9, 2021 - Golden State Bancorp (OTCBB: GSBX), the holding company of Golden State Bank, today announced financial results for the fourth quarter and full year of 2020.

Full Year Highlights:

- Total assets increased by \$86.9 million, or 24.7%, from \$352.2 million at December 31, 2019 to \$439.1 million
- Loans, net of deferred fees, increased by \$71.5 million, or 28.2%, from \$250.5 million at December 31, 2019 to \$325.5 million
- Credit quality remains strong
- Cash and cash equivalents stood at \$105.8 million
- Deposits increased by \$73.9 million, or 25.0%, from \$295.8 million at December 31, 2019 to \$369.7 million
- Net loss of \$574 thousand for 2020; pre-tax, pre-loan loss provision earnings of \$175 thousand for 2020

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated, “2020 was an unusual year to say the least. Besides our announced infrastructure and foundation building for the future for which we had significant one time costs, we were faced with the challenges of Covid-19 and the unprecedented interest rate environment. Moreover, we chose to have a fortress balance sheet, which we still do, for which we sacrificed some earnings. We are on our way to decent profitability starting in the current quarter and should have a decent year, barring the unforeseen. Our normalized earnings power should be evidenced in 2022 and beyond.”

Tom Vertin, President and Chief Executive Officer of Golden State Bank stated, “We recently received positive feedback from our regulators about our BSA/AML program and infrastructure, for which we are very pleased and encouraged. The hard work of our team is being acknowledged. Our foundation building is continuing which should serve us well this year and in the future.”

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>December 31, 2020</u>	<u>December 31, 2019</u>
Cash & due from banks	\$7,259,821	\$3,585,233
Interest-earning deposit in FRB/FFS	98,551,443	83,020,133
Total Loans, net of deferred fees	325,470,113	253,925,334
Allowance for loan losses	(4,291,813)	(3,377,813)
NET LOANS	<u>321,178,301</u>	<u>250,547,521</u>
Federal Home Loan Bank stock, at cost	1,339,200	951,700
Premises and equipment	1,110,425	1,243,376
Other real estate owned	1,331,857	4,497,357
Operating lease ROU assets, net	1,421,486	1,807,102
Deferred tax asset	5,011,426	4,857,878
Other assets	1,897,048	1,652,875
TOTAL ASSETS	<u>\$439,101,006</u>	<u>\$352,163,175</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$60,471,407	\$46,183,428
Interest bearing deposits	309,194,470	249,570,473
TOTAL DEPOSITS	<u>369,665,877</u>	<u>295,753,901</u>
FHLB borrowings	25,000,000	16,500,000
Other borrowings	9,950,000	5,000,000
Operating lease liabilities	1,631,397	1,991,165
Other liabilities	1,912,920	1,536,172
TOTAL LIABILITIES	<u>408,160,194</u>	<u>320,781,238</u>
TOTAL SHAREHOLDERS' EQUITY	<u>30,940,812</u>	<u>31,381,938</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$439,101,006</u>	<u>\$352,163,175</u>

Selected Financial and Ratios

Asset Quality Ratios		
Nonperforming loans to total loans, net of deferred fees	0.46%	0.23%
Allowance for loan losses to total loans, net of deferred fees	1.32%	1.33%
Capital Ratios (1)		
Tier 1 leverage ratio	8.29%	9.32%
Common equity tier 1 capital ratio	10.34%	10.97%
Tier 1 risk based capital ratio	10.34%	10.97%
Total risk based capital ratio	11.52%	12.22%
Common shares outstanding	1,836,538	1,836,538
Book value per share	\$16.85	\$17.09
Fully diluted book value per share (2)	\$15.85	\$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		Years Ended December 31,	
	December 31, 2020	December 31, 2019	2020	2019
Interest income	\$ 4,661,042	\$ 4,959,696	\$ 17,335,055	\$ 18,405,607
Interest expense	1,344,778	1,550,938	5,730,921	5,871,569
Net interest income	3,316,264	3,408,758	11,604,134	12,534,038
Provision for loan losses	392,000	-	914,000	453,500
Net interest income after provision for loan losses	2,924,264	3,408,758	10,690,134	12,080,538
Non-interest income	38,202	68,406	75,475	335,335
Non-interest expense	3,055,661	3,728,156	11,504,339	10,409,426
Income before taxes	(93,195)	(250,992)	(738,730)	2,006,447
Income tax	(1,407)	(79,145)	(164,357)	603,803
Net Income	\$ (91,788)	\$ (171,847)	\$ (574,373)	\$ 1,402,644

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