



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES SECOND QUARTER 2019 RESULTS

Glendale, CA, July 25, 2019 - Golden State Bancorp (OTCBB: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter ended June 30, 2019.

Current Quarter Highlights:

- Net income of \$583.5 thousand
- Net Income before income taxes of \$839.2 thousand for the second quarter in 2019, as compared to \$892.1 thousand for the same period in 2018
- Total Assets increased by \$27.6 million, or 9.0%, from \$307.9 million at December 31, 2018 to \$335.5 million
- Loans, net of deferred fees increased \$23.3 million, or 10.8%, from \$215.2 million at December 31, 2018 to \$238.5 million
- Deposits increased by \$26.1 million, or 10.4%, from \$251.6 million at December 31, 2018 to \$277.7 million

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated “We had another OK quarter. We should do better, and we will soon”.

Tom Byington, President and Chief Executive Officer of Golden State Bank stated “We remain focused on improving client experience, taking advantage of future business opportunities while remaining cautious as we are late in a recovery cycle”.

Mr. Setrakian also stated that “We are pleased to announce that Ms. Yvonne Liu Chen has joined the Bank and bank holding company as she will serve as the Chief Financial Officer upon receiving final regulatory approvals, which we expect soon”. Ms. Chen previously served as Executive Vice President and Chief Financial Officer of First Choice Bank since 2007 until she became the Executive Vice President of Finance in 2018. She is also a Certified Public Accountant as per the California Board of Accountancy.

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
Condensed Consolidated Statement of Financial Condition
(Unaudited)

ASSETS	June 30, 2019	December 31, 2018
Cash & due from banks	\$ 3,959,152	\$ 4,692,746
Interest-earning deposit in FRB/FFS	81,990,000	76,546,585
Total Loans, net of deferred fees	238,507,460	215,247,987
Allowance for loan losses	<u>(3,199,313)</u>	<u>(2,862,518)</u>
NET LOANS	235,308,147	212,385,469
Federal Home Loan Bank stock, at cost	951,700	943,600
Premises and equipment	1,079,124	1,101,931
Other real estate owned	5,460,267	5,460,267
Deferred tax asset	5,446,367	5,446,367
Other assets	<u>1,354,733</u>	<u>1,321,932</u>
TOTAL ASSETS	\$ 335,549,489	\$ 307,898,897
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 46,369,852	\$ 48,734,272
Interest bearing deposits	<u>231,332,808</u>	<u>202,895,103</u>
TOTAL DEPOSITS	277,702,660	251,629,375
FHLB borrowings	20,000,000	20,000,000
Other borrowings	5,000,000	5,000,000
Other liabilities	<u>1,728,120</u>	<u>1,329,997</u>
TOTAL LIABILITIES	304,430,780	277,959,372
TOTAL SHAREHOLDERS' EQUITY	31,118,710	29,939,525
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 335,549,489	\$ 307,898,897

Selected Financial and Ratios

Asset Quality Ratios (1)		
Nonperforming loans to total loans, net of deferred fees	1.21%	0.16%
Allowance for loan losses to total loans, net of deferred fees	1.34%	1.33%
Capital Ratios (1)		
Tier 1 leverage ratio	9.45%	10.70%
Common equity tier 1 capital ratio	11.18%	12.54%
Tier 1 risk based capital ratio	11.18%	12.54%
Total risk based capital ratio	12.38%	13.79%
Book value per share (2)	\$ 16.94	\$ 16.33
Common shares outstanding	1,836,538	1,833,539 (2)

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

(2) The equivalent common shares were calculated at 3.6922 conversion ratio on the Series A Preferred Stock that was set on February 28, 2018.

GOLDEN STATE BANCORP Condensed Consolidated Statement of Income (Unaudited)
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	Three Months Ended		Six Months Ended June 30,	
	June 30, 2019	June 30, 2018	2019	2018
Interest income	\$ 4,498,893	\$ 3,378,438	\$ 8,796,350	\$ 6,361,521
Interest expense	1,447,750	712,002	2,742,859	1,328,930
Net interest income	3,051,143	2,666,436	6,053,491	5,032,591
Provision for loan losses	82,500	250,000	275,000	365,900
Net interest income after provision for loan losses	2,968,643	2,416,436	5,778,491	4,666,691
Non-interest income	110,022	59,237	211,684	194,279
Non-interest expense	2,239,440	1,583,549	4,354,351	3,150,684
Income before taxes	839,225	892,124	1,635,825	1,710,286
Income tax	255,752	22,000	494,105	22,000
NET INCOME	\$ 583,473	\$ 870,124	\$ 1,141,720	\$ 1,688,286