



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES SECOND QUARTER OF 2021 FINANCIAL RESULTS

Glendale, CA, August 18, 2021 - Golden State Bancorp (OTCBB: GSBX), the holding company of Golden State Bank, today announced financial results for the second quarter of 2021.

Current Quarter Highlights:

- Total assets increased by \$56.0 million, or 12.8%, from \$439.1 million at December 31, 2020 to \$495.1 million
- Loans, net of deferred fees, increased by \$35.6 million, or 10.9%, from \$325.5 million at December 31, 2020 to \$361.0 million
- Credit quality remains strong
- Cash and cash equivalents stood at \$126.9 million
- Deposits increased by \$54.6 million, or 14.8%, from \$369.7 million at December 31, 2020 to \$424.2 million
- Net income of \$685.7 thousand for the three months ended June 30, 2021
- Fully diluted book value per share of \$16.48

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated, "We are again pleased with our performance of the quarter. Decent earnings, strong balance sheet with plenty of cash and liquidity and strong loan growth. Our loan pipeline remains robust enough to show growth despite the more than expected in loan payoffs. We should show decent profitability for the rest of the year and meet the goals that we had set for ourselves. We are excited about our recent changes in the management team, including the promotion of Mercedes Herrera as our new CEO. Our hard work of building the infrastructure and foundation is showing results."

"We had another quarter to be proud of, and I want to thank our entire team for their execution and dedication to the Bank," said Ms. Herrera, President and Chief Executive Officer. "Credit quality remains strong and our growth in both deposits and loans will continue to carry us forward."

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, California. 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 Company’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, the impact of the COVID-19 pandemic, 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 Company 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 Company’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)

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
ASSETS		(audited)
Cash & due from banks	\$ 7,585,396	\$ 7,259,821
Interest-earning deposit in FRB/FFS	119,280,154	98,551,443
Total Loans, net of deferred fees	361,041,821	325,470,113
Allowance for loan losses	(4,941,813)	(4,291,813)
NET LOANS	<u>356,100,008</u>	<u>321,178,301</u>
Federal Home Loan Bank stock, at cost	1,534,400	1,137,600
Premises and equipment	1,069,011	1,110,425
Other real estate owned	1,331,857	1,331,857
Operating lease ROU assets, net	1,224,301	1,421,486
Deferred tax asset	5,011,426	5,011,426
Other assets	2,003,821	2,098,648
TOTAL ASSETS	<u>\$ 495,140,375</u>	<u>\$ 439,101,006</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 79,527,764	\$ 60,471,407
Interest bearing deposits	344,702,789	309,194,470
TOTAL DEPOSITS	<u>424,230,553</u>	<u>369,665,877</u>
FHLB borrowings	25,000,000	25,000,000
Other borrowings	9,958,333	9,950,000
Operating lease liabilities	1,415,781	1,631,397
Other liabilities	2,189,163	1,912,920
TOTAL LIABILITIES	<u>462,793,830</u>	<u>408,160,194</u>
TOTAL SHAREHOLDERS' EQUITY	<u>32,346,545</u>	<u>30,940,812</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 495,140,375</u>	<u>\$ 439,101,006</u>

Selected Financial and Ratios

Asset Quality Ratios

Nonperforming loans to total loans, net of deferred fees	0.22%	0.46%
Allowance for loan losses to total loans, net of deferred fees	1.37%	1.32%

Capital Ratios (1)

Tier 1 leverage ratio	7.84%	8.29%
Common equity tier 1 capital ratio	10.05%	10.34%
Tier 1 risk based capital ratio	10.05%	10.34%
Total risk based capital ratio	11.30%	11.59%
Common shares outstanding	1,844,788	1,836,538
Book value per share	\$17.53	\$16.85
Fully diluted book value per share (2)	\$16.48	\$15.85

(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, 2021	June 30, 2020	2021	2020
Interest income	\$ 5,381,017	\$ 4,020,209	\$ 10,501,916	\$ 8,383,235
Interest expense	1,204,697	1,479,555	2,460,547	2,938,073
Net interest income	4,176,320	2,540,654	8,041,370	5,445,162
Provision for loan losses	380,000	129,000	650,000	255,000
Net interest income after provision for loan losses	3,796,320	2,411,654	7,391,370	5,190,162
Non-interest income	58,781	54,961	105,898	88,144
Non-interest expense	2,864,707	2,912,324	5,721,373	5,495,235
Income before taxes	990,395	(445,709)	1,775,895	(216,928)
Income tax	304,710	(119,669)	543,390	(43,980)
Net Income (Loss)	\$ 685,685	\$ (326,040)	\$ 1,232,505	\$ (172,948)