



**FOR IMMEDIATE RELEASE**

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**GOLDEN STATE BANCORP ANNOUNCES THIRD QUARTER OF 2023 FINANCIAL RESULTS**

Glendale, CA, October 31, 2023 - Golden State Bancorp (OTC Pink: GSBX) (“us,” “we,” “our,” or the “Company”), the holding company of Golden State Bank (the “Bank”), today announced financial results for the third quarter of 2023.

Current Quarter Highlights:

- Total assets increased by \$63.2 million, or 9.7%, from \$648.8 million at December 31, 2022 to \$712.1 million
- Loans, net of deferred fees, increased by \$10.6 million, or 2.0%, from \$543.2 million at December 31, 2022 to \$553.8 million
- Credit quality remains strong
- Cash and cash equivalents increased by \$52.2 million, or 68.6%, from \$76.1 million at December 31, 2022 to \$128.3 million; also held \$17.7 million in short-term US Treasuries and \$5.3 million in FDIC-insured CD investments in other banks at quarter end
- Deposits increased by \$39.1 million, or 7.0%, from \$561.3 million at December 31, 2022 to \$600.3 million
- Net income of \$1.8 million and \$5.9 million for the three and nine months, respectively, ended September 30, 2023
- Fully diluted book value per share of \$21.90

Mr. Robert Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “A very decent quarter for Golden State Bank in light of the tough and challenging environment. We expect more of the same and will remain conservative and vigilant until the environment changes.”

“We are pleased with our performance this quarter,” said Ms. Mercedes N. Herrera, President and Chief Executive Officer of the Bank. “Asset quality continues to demonstrate strength, and we have tremendous demand for high quality loans from strong borrowers. The challenges persist in attracting core deposits at rates that meet our criteria, particularly in this interest rate environment where we face competition not only from other banks, but also from Treasuries. As such, we are prioritizing maintenance over growth until we encounter more favorable conditions to grow further.”

**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](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 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, expectations regarding growth, credit quality, the success and timing of the Company’s planned capital raise, 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](http://www.fdic.gov).

<b>GOLDEN STATE BANCORP</b> <b>Condensed Consolidated Statement of Financial Condition</b> <b>(unaudited)</b>
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	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
Cash & due from banks	\$ 1,597,017	\$ 1,654,786
Interest-earning deposits	126,731,497	74,483,126
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>128,328,514</b>	<b>76,137,912</b>
Other Interest-earning deposits	5,250,000	-
Securities held-to-maturity, at cost	17,718,162	25,936,217
Total Loans, net of deferred fees	553,788,559	543,172,168
Allowance for credit losses on loans	(7,619,516)	(7,493,299)
<b>NET LOANS</b>	<b>546,169,043</b>	<b>535,678,869</b>
Federal Home Loan Bank stock, at cost	3,063,100	2,060,200
Premises and equipment	641,605	796,762
Other real estate owned	-	1,056,182
Operating lease ROU assets, net	2,906,577	780,967
Deferred taxes, net	2,876,957	2,876,957
Other assets	5,102,490	3,522,680
<b>TOTAL ASSETS</b>	<b>\$ 712,056,448</b>	<b>\$ 648,846,746</b>
<b>LIABILITIES</b>		
Noninterest bearing deposits	\$ 133,213,444	\$ 176,258,208
Interest bearing deposits	467,113,250	385,007,294
<b>TOTAL DEPOSITS</b>	<b>600,326,694</b>	<b>561,265,502</b>
FHLB borrowings	25,000,000	12,500,000
Subordinated notes, net	14,782,680	14,731,210
Other borrowings	1,746,439	1,746,439
Operating lease liabilities	3,083,278	967,571
Other liabilities	6,508,424	3,124,988
<b>TOTAL LIABILITIES</b>	<b>651,447,515</b>	<b>594,335,710</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	45,410,008	45,405,087
Additional Paid in Capital	9,543,822	9,308,589
Retained Earnings	5,655,103	(202,640)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>60,608,933</b>	<b>54,511,036</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 712,056,448</b>	<b>\$ 648,846,746</b>

<b>Selected Financial and Ratios</b>
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	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>Asset Quality</b>		
Allowance for credit losses on loans (ALL)	\$ 7,619,516	\$ 7,493,299
Reserve for unfunded loan commitments	770,385	379,000
Allowance for credit losses (ACL)	<b>\$ 8,389,901</b>	<b>\$ 7,872,299</b>
ALL to total loans	1.38%	1.38%
ACL to total loans	1.52%	1.45%
Nonperforming loans to total loans, net of deferred fees	1.14%	0.45%
<b>Capital Ratios (1)</b>		
Tier 1 leverage ratio	9.89%	9.86%
Common equity tier 1 capital ratio	12.80%	12.13%
Tier 1 risk-based capital ratio	12.80%	12.13%
Total risk-based capital ratio	14.05%	13.38%
Common shares outstanding	2,574,815	2,082,729
Book value per share (2)	\$23.54	\$26.17
Fully diluted book value per share (3)	\$21.90	\$19.99

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

(2) Basic book value per share is calculated as total shareholders' equity divided by the number of common shares outstanding as at the end of the period, giving no effect to dilutive shares. Book value per share of \$23.54 includes 492,086 shares nonvoting common shares issued in the third quarter of 2023.

(3) 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 all in-the-money employee stock options, warrants and the conditional, restricted and non-assignable rights to purchase common stock are exercised by investors.

Shareholders' equity	\$ 60,608,933	\$ 54,511,036
Add: Proceeds from exercise of stock options	4,376,383	3,477,380
Add: Proceeds from exercise of warrants & rights-to-purchase	3,458,288	3,463,209
Adjusted Shareholders' equity	<b>\$ 68,443,604</b>	<b>\$ 61,451,625</b>
Common shares outstanding	2,574,815	2,082,729
Add: In-the-money employee stock options	362,495	311,370
Add: Warrants & rights-to-purchase	187,478	679,564
Fully diluted common shares outstanding	<b>3,124,788</b>	<b>3,073,663</b>
Book value per share	\$23.54	\$26.17
Fully diluted book value per share	\$21.90	\$19.99

**GOLDEN STATE BANCORP**  
**Condensed Consolidated Statement of Income**  
**(Unaudited)**

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Interest income	\$ 11,136,708	\$ 8,048,226	\$ 31,491,797	\$ 21,567,191
Interest expense	4,634,257	1,319,065	11,222,826	3,575,276
Net interest income	6,502,451	6,729,161	20,268,971	17,991,915
Provision for credit losses	95,258	471,000	492,602	1,328,000
Net interest income after provision for credit losses	6,407,193	6,258,161	19,776,369	16,663,915
Noninterest income	75,841	73,359	121,546	191,947
Noninterest expense	3,953,120	3,122,779	11,599,251	9,068,625
Income before taxes	2,529,914	3,208,741	8,298,664	7,787,237
Income taxes	743,097	935,032	2,440,921	2,304,358
<b>Net Income</b>	<b>\$ 1,786,817</b>	<b>\$ 2,273,709</b>	<b>\$ 5,857,743</b>	<b>\$ 5,482,879</b>