



FOR IMMEDIATE RELEASE

**Contact: Ms. Yvonne L. Chen
EVP & CFO
909.244.1418**

GOLDEN STATE BANCORP ANNOUNCES FOURTH QUARTER AND FULL YEAR 2022 FINANCIAL RESULTS

Glendale, CA, February 2, 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 fourth quarter and full year of 2022.

Full Year Highlights:

- Total assets increased by \$122.6 million, or 23.3%, from \$526.3 million at December 31, 2021 to \$648.8 million
- Loans, net of deferred fees, increased by \$127.2 million, or 30.6%, from \$416.0 million at December 31, 2021 to \$543.2 million
- Credit quality remains strong
- Cash and cash equivalents decreased by \$28.5 million, or 27.2%, from \$104.6 million at December 31, 2021 to \$76.1 million; also held \$25.9 million in US Treasuries at the end of the year
- Deposits increased by \$118.0 million, or 26.6%, from \$443.2 million at December 31, 2021 to \$561.3 million
- Shareholders’ equity increased by \$16.6 million to \$54.5 million, which includes \$8.3 million of new capital raised in 2022
- Net income of \$7.7 million for 2022; pre-tax, pre-loan loss provision earnings of \$12.9 million for 2022
- Fully diluted book value per share of approximately \$20.00

Mr. Robert Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “2022 was a great year for us in all aspects. We accomplished more than we had anticipated from a growth and profitability perspective, raised more capital to support our growth and have prepared ourselves well for the potential challenges to come in 2023. Our plans for the year are very conservative, but we will adapt should the interest rate environment and economic reality be different.”

“I am very pleased to report that 2022 was a great year for Golden State Bank, with meaningful growth and profitability.” said Ms. Mercedes Herrera, President and Chief Executive Officer of the Bank. “I am proud of the entire team for their hard work and dedication in delivering these results. As we look ahead to 2023, we acknowledge that it may bring some challenges. However, we are confident in our ability to be nimble and adjust to whatever comes our way. In the meantime, we will focus on reinforcing our team and infrastructure to ensure we are well-prepared for the years ahead.”

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, 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.

GOLDEN STATE BANCORP Condensed Consolidated Statement of Financial Condition (unaudited)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		(audited)
Cash & due from banks	\$ 1,654,786	\$ 6,642,406
Interest-earning deposit in FRB/FFS	74,483,126	97,976,054
TOTAL CASH AND CASH EQUIVALENTS	76,137,912	104,618,459
Securities held-to-maturity, at cost	25,936,217	-
Total Loans, net of deferred fees	543,172,168	416,016,235
Allowance for loan losses	(7,493,299)	(5,736,672)
NET LOANS	535,678,868	410,279,563
Federal Home Loan Bank stock, at cost	2,060,200	1,534,400
Premises and equipment	846,843	1,021,351
Other real estate owned	1,056,182	1,331,857
Operating lease ROU assets, net	780,967	1,250,081
Deferred taxes, net	2,876,957	4,251,905
Other assets	3,472,599	2,001,222
TOTAL ASSETS	\$ 648,846,746	\$ 526,288,838
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 176,258,208	\$ 76,407,218
Interest bearing deposits	385,007,294	366,822,110
TOTAL DEPOSITS	561,265,502	443,229,327
FHLB borrowings	12,500,000	25,000,000
Subordinated notes, net	14,731,210	14,662,605
Other borrowings	1,746,439	1,746,439
Operating lease liabilities	967,571	1,425,856
Other liabilities	3,124,988	2,287,737
TOTAL LIABILITIES	594,335,710	488,351,964
TOTAL SHAREHOLDERS' EQUITY	54,511,036	37,936,874
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 648,846,746	\$ 526,288,838

Selected Financial and Ratios

Asset Quality Ratios

Nonperforming loans to total loans, net of deferred fees	0.45%	0.46%
Allowance for loan losses to total loans, net of deferred fees	1.38%	1.38%

Capital Ratios (1)

Tier 1 leverage ratio	9.86%	9.05%
Common equity tier 1 capital ratio	12.13%	11.28%
Tier 1 risk based capital ratio	12.13%	11.28%
Total risk based capital ratio	13.38%	12.53%

Common shares outstanding	2,082,730	2,047,146
Book value per share (2)	\$26.17	\$18.53
Fully diluted book value per share (3)	\$19.99	\$17.41

(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 \$26.17 includes \$8.3 million net proceeds from the sale of the prefunded warrants which is recorded as additional paid-in capital.

(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.

GOLDEN STATE BANCORP
Condensed Consolidated Statement of Income
(Unaudited)

	Three Months Ended		Twelve Months Ended December 31,	
	December 31, 2022	December 30, 2021	2022	2021
Interest income	\$ 9,124,798	\$ 6,174,742	\$ 30,691,989	\$ 22,393,315
Interest expense	2,167,696	1,253,897	5,742,971	4,915,815
Net interest income	6,957,103	4,920,845	24,949,018	17,477,499
Provision for loan losses	711,000	370,000	2,039,000	1,595,000
Net interest income after provision for loan losses	6,246,103	4,550,845	22,910,018	15,882,499
Noninterest income	70,724	68,048	262,671	240,514
Noninterest expense	3,229,451	2,645,462	12,298,076	11,048,584
Income before taxes	3,087,376	1,973,431	10,874,613	5,074,429
Income taxes	885,237	580,288	3,189,595	1,521,875
Net Income	\$ 2,202,139	\$ 1,393,143	\$ 7,685,018	\$ 3,552,554