



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES FIRST QUARTER OF 2023 FINANCIAL RESULTS

Glendale, CA, May 3, 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 first quarter of 2023.

Current Quarter Highlights:

- Total assets increased by \$24.8 million, or 3.8%, from \$648.8 million at December 31, 2022 to \$673.6 million
- Loans, net of deferred fees, increased by \$12.9 million, or 2.4%, from \$543.2 million at December 31, 2022 to \$556.1 million
- Credit quality remains strong
- Cash and cash equivalents increased by \$7.1 million, or 9.3%, from \$76.1 million at December 31, 2022 to \$83.2 million; also held \$24.0 million in short-term US Treasuries and \$5.3 million in FDIC-insured CD investments in other banks at quarter end
- Deposits increased by \$12.4 million, or 2.2%, from \$561.3 million at December 31, 2022 to \$573.6 million
- Net income of \$2.1 million for the three months ended March 31, 2023
- Fully diluted book value per share of \$20.67

Mr. Robert Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “Another good quarter for us, but what a quarter it was. As everyone knows by now, there are major challenges facing the financial industry today. A year ago, who could have predicted that Silicon Valley Bank, First Republic and Signature Bank would no longer be with us. These were, on the surface, the best performing, highest growing banks in the US that investors gave the highest valuations to. We, on the other hand, remained steadfast to our mission, were never tempted with short term gains by investing in long term securities and thus did not have the unrealized losses that these and other banks had. Our results and strength of our balance sheet speak for themselves. We will remain vigilant in our actions and plan to continue being very conservative, until the interest rate environment and economic reality changes.”

“We are proud of our results this quarter, which reflect our commitment to serve our customers and operating with their best interest in mind,” said Ms. Mercedes N. Herrera, President and Chief Executive Officer of the Bank. “As a former bank regulator, it is essential to have a bank that operates with a disciplined approach to protecting depositors’ money. Recent bank failures have highlighted the importance of a safe and sound approach to banking. We are proud to say we kept things simple by deploying most of our community deposits back into our communities in the form of quality loans and keeping our reserves in cash at the Fed or short-term securities. This quarter, more than any, proved the loyalty and trust of our clients and the value that they place in the service, dedication, and value that we provide to them.”

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>March 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash & due from banks	\$ 2,006,014	\$ 1,654,786
Interest-earning deposits	81,185,617	74,483,126
TOTAL CASH AND CASH EQUIVALENTS	83,191,631	76,137,912
Other Interest-earning deposits	5,250,000	-
Securities held-to-maturity, at cost	24,044,260	25,936,217
Total Loans, net of deferred fees	556,062,424	543,172,168
Allowance for loan losses	(7,895,785)	(7,493,299)
NET LOANS	548,166,639	535,678,868
Federal Home Loan Bank stock, at cost	2,060,200	2,060,200
Premises and equipment	737,343	796,762
Other real estate owned	-	1,056,182
Operating lease ROU assets, net	3,082,537	780,967
Deferred taxes, net	2,876,957	2,876,957
Other assets	4,222,523	3,522,680
TOTAL ASSETS	\$ 673,632,089	\$ 648,846,746
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 187,456,048	\$ 176,258,208
Interest bearing deposits	386,190,102	385,007,294
TOTAL DEPOSITS	573,646,150	561,265,502
FHLB borrowings	20,000,000	12,500,000
Subordinated notes, net	14,748,367	14,731,210
Other borrowings	1,746,439	1,746,439
Operating lease liabilities	3,247,822	967,571
Other liabilities	3,549,633	3,124,988
TOTAL LIABILITIES	616,938,410	594,335,710
TOTAL SHAREHOLDERS' EQUITY	56,693,678	54,511,036
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 673,632,089	\$ 648,846,746

Selected Financial and Ratios

Asset Quality Ratios

Nonperforming loans to total loans, net of deferred fees	0.44%	0.45%
Allowance for loan losses to total loans, net of deferred fees	1.42%	1.38%

Capital Ratios (1)

Tier 1 leverage ratio	10.04%	9.86%
Common equity tier 1 capital ratio	12.18%	12.13%
Tier 1 risk based capital ratio	12.18%	12.13%
Total risk based capital ratio	13.44%	13.38%

Common shares outstanding	2,082,729	2,082,729
Book value per share (2)	\$27.22	\$26.17
Fully diluted book value per share (3)	\$20.67	\$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 \$27.22 includes \$8.3MM 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)
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	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest income	\$ 9,886,342	\$ 6,189,026
Interest expense	2,767,042	1,127,684
Net interest income	7,119,300	5,061,342
Provision for loan losses	485,619	298,000
Net interest income after provision for loan losses	6,633,681	4,763,342
Noninterest income	(23,756)	61,455
Noninterest expense	3,630,886	2,890,173
Income before taxes	2,979,039	1,934,625
Income taxes	874,808	578,930
Net Income	\$ 2,104,231	\$ 1,355,695