



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES SECOND QUARTER OF 2024 FINANCIAL RESULTS

Glendale, CA, August 20, 2024 - Golden State Bancorp (OTCQX: GSBX) (“us,” “we,” “our,” or the “Company”), the holding company of Golden State Bank (the “Bank”), today announced financial results for the second quarter of 2024.

Current Quarter Highlights:

- Total assets increased by \$72.8 million, or 10.0%, from \$729.5 million at December 31, 2023 to \$802.3 million
- Loans, net of deferred fees, increased by \$106.7 million, or 18.9%, from \$564.3 million at December 31, 2023 to \$671.0 million
- Credit quality remains strong
- On balance sheet liquidity remains strong with cash and cash equivalents at \$108.7 million; also held \$12.9 million in short-term US Treasuries and \$2.3 million in FDIC-insured CD investments in other banks
- Deposits increased by \$75.6 million, or 12.2%, from \$618.1 million at December 31, 2023 to \$693.7 million
- Net income of \$1.84 million for the three months ended June 30, 2024
- Fully diluted book value per share of \$23.67
- The Board of Directors approved and authorized a stock repurchase program of up to \$2.0 million of the Company’s outstanding common stock

Mr. Robert H. Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “We continue to perform well on all fronts. Interesting times in our industry with unprecedented volatility in interest rate expectations and on what the Federal Reserve will do, and when. We will continue to remain conservative with our approach for growth and opportunities that present to us.”

“I am pleased with our results and confident in our ability to maintain this level of performance throughout the year. Our loan portfolio is performing well, we have no bad loans, and our pipeline remains robust. Our deposit base is strong and continues to grow steadily. In the current environment of interest rate, we are committed to managing our financial operations with prudence, ensuring the success of our institution”, said Ms. Mercedes N. Herrera, President and Chief Executive Officer of the Bank.

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. Forward-looking statements include, among others, expectations regarding the Company's future growth, opportunities, financial condition and potential repurchase of common stock. Factors and risks that may cause actual results to vary include, but are not limited to, the trading price and liquidity of the Company's common stock, credit quality, loan production, balance sheet management, profitability, net interest margin, interest rate changes and financial policies of the United States government, general economic conditions, and changes in and adjustments to the Company's business plans in reaction to such factors or otherwise. 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, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Cash & due from banks	\$ 3,687,201	\$ 2,658,595
Interest-earning deposits	104,965,660	136,369,725
TOTAL CASH AND CASH EQUIVALENTS	<u>108,652,861</u>	<u>139,028,320</u>
Interest-earning deposits in other financial institutions	2,250,000	3,250,000
Securities held-to-maturity, at cost	12,910,927	15,785,760
Total Loans, net of deferred fees	670,959,564	564,253,612
Allowance for credit losses	(8,963,219)	(7,691,455)
NET LOANS	<u>661,996,346</u>	<u>556,562,157</u>
Federal Home Loan Bank stock, at cost	3,157,900	3,063,100
Premises and equipment	1,504,342	1,642,544
Operating lease ROU assets, net	2,639,423	2,805,685
Deferred taxes, net	2,981,783	2,981,783
Other assets	6,174,189	4,425,564
TOTAL ASSETS	<u>\$ 802,267,771</u>	<u>\$ 729,544,913</u>
LIABILITIES		
Noninterest bearing deposits	\$ 125,990,823	\$ 106,531,562
Interest bearing deposits	567,757,121	511,560,086
TOTAL DEPOSITS	<u>693,747,944</u>	<u>618,091,648</u>
Federal Home Loan Bank borrowings	20,000,000	25,000,000
Subordinated notes, net	14,834,151	14,799,837
Other borrowings	389,003	1,746,439
Operating lease liabilities	3,351,971	3,539,240
Other liabilities	3,213,498	3,688,114
TOTAL LIABILITIES	<u>735,536,567</u>	<u>666,865,278</u>
SHAREHOLDERS' EQUITY		
Common stock	45,763,505	45,628,315
Additional Paid in Capital	9,783,227	9,631,883
Retained Earnings	11,184,472	7,419,437
TOTAL SHAREHOLDERS' EQUITY	<u>66,731,204</u>	<u>62,679,635</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 802,267,771</u>	<u>\$ 729,544,913</u>

Selected Financial and Ratios

	<u>June 30, 2024</u>		<u>December 31, 2023</u>
Asset Quality			
Allowance for credit losses on loans (ALL)	\$ 8,963,219	\$	7,691,455
Allowance for unfunded commitments	728,370		846,360
Allowance for credit losses (ACL)	\$ 9,691,589	\$	8,537,815
ALL to total loans	1.34%		1.36%
ACL to total loans	1.44%		1.51%
Nonperforming loans to total loans, net of deferred fees	0.07%		1.11%
 Capital ⁽¹⁾			
Tier 1 leverage ratio	9.83%		9.99%
Common shares outstanding	2,706,706		2,588,119
Book value per share	\$24.65		\$24.22
Fully diluted book value per share ⁽²⁾	\$23.67		\$22.51

(1) Capital ratio calculated 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 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		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Interest income	\$ 13,420,939	\$ 10,468,747	\$ 26,480,845	\$ 20,355,089
Interest expense	6,361,147	3,821,528	12,523,530	6,588,569
Net interest income	7,059,792	6,647,219	13,957,315	13,766,520
Provision for (reversal of) credit losses	490,985	(50,656)	759,528	397,344
Net interest income after provision for credit losses	6,568,807	6,697,875	13,197,787	13,369,176
Noninterest income	84,354	69,461	184,403	45,705
Noninterest expense	4,039,420	3,977,626	8,040,534	7,646,131
Income before taxes	2,613,741	2,789,710	5,341,656	5,768,750
Income taxes	776,644	823,016	1,576,621	1,697,824
Net Income	\$ 1,837,097	\$ 1,966,694	\$ 3,765,035	\$ 4,070,926