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GOLDEN STATE BANCORP ANNOUNCES THIRD QUARTER OF 2022 FINANCIAL RESULTS

Glendale, CA, November 9, 2022 - 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 2022.

Current Quarter Highlights:

- Total assets increased by \$110.2 million, or 20.9%, from \$526.3 million at December 31, 2021 to \$636.5 million
- Loans, net of deferred fees, increased by \$75.1 million, or 18.1%, from \$416.0 million at December 31, 2021 to \$491.1 million
- Credit quality remains strong
- Cash and cash equivalents increased by \$10.5 million, or 10.1%, from \$104.6 million at December 31, 2021 to \$115.1 million; also held \$25.4 million in US Treasuries at the end of the quarter
- Deposits increased by \$106.4 million, or 24.0%, from \$443.2 million at December 31, 2021 to \$549.6 million
- Shareholders’ equity increased by \$14.3 million to \$52.2 million, which includes \$8.3 million of new capital raise in 2022
- Net income of \$2.3 million for the three months ended September 30, 2022
- Fully diluted book value per share of \$19.24

Mr. Robert Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “We had another great quarter. Despite the robustness of our loan and deposit pipelines, we plan on being cautious due to the challenges in the economic environment. Finally, I am pleased to report that we completed the third and final phase of our previously announced capital raise.”

“I am very pleased with our financial performance and results.” said Ms. Mercedes Herrera, President and Chief Executive Officer of the Bank. “Having said that, we are in unprecedented times in terms of the economy and interest rates. One needs to be prudent in times like this putting on new loans, at the same time as cost of funding rises significantly. I am confident that we will navigate through this difficult environment better than most.”

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>September 30, 2022</u>	<u>December 31, 2021</u> (audited)
ASSETS		
Cash & due from banks	\$ 1,800,068	\$ 6,642,406
Interest-earning deposit in FRB/FFS	113,334,745	97,976,054
TOTAL CASH AND CASH EQUIVALENTS	115,134,813	104,618,459
Securities held-to-maturity, at cost	25,421,684	-
Total Loans, net of deferred fees	491,139,559	416,016,235
Allowance for loan losses	(6,777,299)	(5,736,672)
NET LOANS	484,362,259	410,279,563
Federal Home Loan Bank stock, at cost	2,060,200	1,534,400
Premises and equipment	866,626	1,021,351
Other real estate owned	1,056,182	1,331,857
Operating lease ROU assets, net	940,743	1,250,081
Deferred taxes, net	4,251,905	4,251,905
Other assets	2,413,829	2,001,222
TOTAL ASSETS	\$ 636,508,242	\$ 526,288,838
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 170,143,133	\$ 76,407,218
Interest bearing deposits	379,473,764	366,822,110
TOTAL DEPOSITS	549,616,898	443,229,327
FHLB borrowings	12,500,000	25,000,000
Subordinated notes, net	14,714,053	14,662,605
Other borrowings	1,746,439	1,746,439
Operating lease liabilities	1,083,910	1,425,856
Other liabilities	4,641,023	2,287,737
TOTAL LIABILITIES	584,302,322	488,351,964
TOTAL SHAREHOLDERS' EQUITY	52,205,920	37,936,874
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 636,508,242	\$ 526,288,838

Selected Financial and Ratios

Asset Quality Ratios

Nonperforming loans to total loans, net of deferred fees	0.36%	0.46%
Allowance for loan losses to total loans, net of deferred fees	1.38%	1.38%

Capital Ratios (1)

Tier 1 leverage ratio	9.59%	9.05%
Common equity tier 1 capital ratio	12.45%	11.28%
Tier 1 risk-based capital ratio	12.45%	11.28%
Total risk-based capital ratio	13.70%	12.53%

Common shares outstanding	2,069,646	2,047,146
Book value per share (2)	\$25.22	\$18.53
Fully diluted book value per share (3)	\$19.24	\$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 \$25.22 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. For 9/30/22 and 12/31/21, adjusted Shareholders' equity would be \$59.6 million and \$43.5 million, respectively, and fully diluted common shares outstanding would be 3,098,080 and 2,501,552, respectively.

GOLDEN STATE BANCORP Condensed Consolidated Statement of Income (Unaudited)
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	Three Months Ended		Nine Months Ended September 30,	
	September 30, 2022	September 30, 2021	2022	2021
Interest income	\$ 8,048,226	\$ 5,716,656	\$ 21,567,191	\$ 16,218,573
Interest expense	1,319,065	1,201,372	3,575,276	3,661,919
Net interest income	6,729,161	4,515,285	17,991,915	12,556,654
Provision for loan losses	471,000	575,000	1,328,000	1,225,000
Net interest income after provision for loan losses	6,258,161	3,940,285	16,663,915	11,331,654
Noninterest income	73,359	66,567	191,947	172,466
Noninterest expense	3,122,779	2,681,748	9,068,625	8,403,121
Income before taxes	3,208,741	1,325,103	7,787,237	3,100,998
Income taxes	935,032	398,197	2,304,358	941,587
Net Income	\$ 2,273,709	\$ 926,906	\$ 5,482,879	\$ 2,159,411