



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES SECOND QUARTER OF 2023 FINANCIAL RESULTS

Glendale, CA, August 7, 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 second quarter of 2023.

Current Quarter Highlights:

- Total assets increased by \$66.8 million, or 10.3%, from \$648.8 million at December 31, 2022 to \$715.7 million
- Loans, net of deferred fees, increased by \$8.9 million, or 1.7%, from \$543.2 million at December 31, 2022 to \$552.1 million
- Credit quality remains strong
- Cash and cash equivalents increased by \$57.9 million, or 76.0%, from \$76.1 million at December 31, 2022 to \$134.0 million; also held \$17.6 million in short-term US Treasuries and \$5.3 million in FDIC-insured CD investments in other banks at quarter end
- Deposits increased by \$45.9 million, or 8.2%, from \$561.3 million at December 31, 2022 to \$607.2 million
- Net income of \$2.0 million for the three months ended June 30, 2023
- Fully diluted book value per share of \$21.33

Mr. Robert Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “Despite the challenging environment, we had another good quarter. Our results and strength of our balance sheet speak for themselves. We will remain conservative and vigilant in our actions until the environment changes.”

“We are again proud of our results this quarter,” said Ms. Mercedes N. Herrera, President and Chief Executive Officer of the Bank. “We remain cautious on the overall interest rate environment, the real estate markets and economic reality around us. Because of our actions, we do not face some of the issues that some of our peers are facing. This is a time where focus on safety and soundness is more important than growth and we intend to continue that way until the environment changes.”

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>June 30, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash & due from banks	\$ 3,361,429	\$ 1,654,786
Interest-earning deposits	130,652,649	74,483,126
TOTAL CASH AND CASH EQUIVALENTS	134,014,078	76,137,912
Other Interest-earning deposits	5,250,000	-
Securities held-to-maturity, at cost	17,631,837	25,936,217
Total Loans, net of deferred fees	552,108,823	543,172,168
Allowance for loan losses	(7,502,093)	(7,493,299)
NET LOANS	544,606,730	535,678,869
Federal Home Loan Bank stock, at cost	3,063,100	2,060,200
Premises and equipment	692,039	796,762
Other real estate owned	-	1,056,182
Operating lease ROU assets, net	3,001,059	780,967
Deferred taxes, net	2,876,957	2,876,957
Other assets	4,529,058	3,522,680
TOTAL ASSETS	\$ 715,664,858	\$ 648,846,746
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 133,517,743	\$ 176,258,208
Interest bearing deposits	473,660,017	385,007,294
TOTAL DEPOSITS	607,177,760	561,265,502
FHLB borrowings	25,000,000	12,500,000
Subordinated notes, net	14,765,523	14,731,210
Other borrowings	1,746,439	1,746,439
Operating lease liabilities	3,172,138	967,571
Other liabilities	5,064,214	3,124,988
TOTAL LIABILITIES	656,926,074	594,335,710
TOTAL SHAREHOLDERS' EQUITY	58,738,784	54,511,036
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 715,664,858	\$ 648,846,746

Selected Financial and Ratios

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Asset Quality Ratios		
Nonperforming loans to total loans, net of deferred fees	1.53%	0.45%
Allowance for loan losses to total loans, net of deferred fees	1.36%	1.38%
Capital Ratios (1)		
Tier 1 leverage ratio	9.93%	9.86%
Common equity tier 1 capital ratio	12.28%	12.13%
Tier 1 risk based capital ratio	12.28%	12.13%
Total risk based capital ratio	12.53%	13.38%
Common shares outstanding	2,082,729	2,082,729
Book value per share (2)	\$28.20	\$26.17
Fully diluted book value per share (3)	\$21.33	\$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 \$28.20 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		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Interest income	\$ 10,468,747	\$ 7,329,939	\$ 20,355,089	\$ 13,518,965
Interest expense	3,821,528	1,128,527	6,588,569	2,256,211
Net interest income	6,647,219	6,201,412	13,766,520	11,262,754
Provision for loan losses	(50,656)	559,000	397,344	857,000
Net interest income after provision for loan losses	6,697,875	5,642,412	13,369,176	10,405,754
Noninterest income	69,461	57,133	45,705	118,588
Noninterest expense	3,977,626	3,055,673	7,646,131	5,945,846
Income before taxes	2,789,710	2,643,872	5,768,750	4,578,496
Income taxes	823,016	790,396	1,697,824	1,369,326
Net Income	\$ 1,966,694	\$ 1,853,476	\$ 4,070,926	\$ 3,209,170