



FOR IMMEDIATE RELEASE

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**GOLDEN STATE BANCORP ANNOUNCES FIRST QUARTER OF 2022 FINANCIAL RESULTS
AND COMPLETES THE SECOND PHASE OF ITS CAPITAL RAISE**

Glendale, CA, May 10, 2022 - Golden State Bancorp (OTCBB: 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 2022.

Current Quarter Highlights:

- Total assets increased by \$58.2 million, or 11.1%, from \$526.3 million at December 31, 2021 to \$584.5 million
- Loans, net of deferred fees, increased by \$15.9 million, or 3.8%, from \$416.0 million at December 31, 2021 to \$431.9 million
- Credit quality remains strong
- Cash and cash equivalents increased by \$32.9 million, or 31.5%, from \$104.6 million at December 31, 2021 to \$137.5 million
- Deposits increased by \$53.0 million, or 12.0%, from \$443.2 million at December 31, 2021 to \$496.2 million
- Net income of \$1.4 million for the three months ended March 31, 2022
- Completed second phase (\$6.0 million) of our equity capital raise in March 2022
- Fully diluted book value per share of \$17.90

Mr. Robert Setrakian, Chairman of the Board and Chief Executive Officer of the Company stated, “We had a great quarter, better than our expectations. We believe that we are well positioned for the rate increases that the Federal Reserve is implementing, and also prepared for some of the challenges that we and our clients may face. Finally, we expect to complete the third and final phases of our equity capital raise this quarter.”

“Our team continues to work hard and perform, and the results reflect that.” said Ms. Mercedes Herrera, President and Chief Executive Officer of the Bank. “We have not been immune to Covid and post-Covid environment for employment and have had our share of challenges and turnover. I am proud of how our team has stepped up and hope that will go back to pre-pandemic normalcy. Based on previous cycles and experiences, we should.”

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, 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, 2022</u>	<u>December 31, 2021</u> (audited)
ASSETS		
Cash & due from banks	\$ 6,792,911	\$ 6,642,406
Interest-earning deposit in FRB/FFS	130,739,389	97,976,054
TOTAL CASH AND CASH EQUIVALENTS	137,532,300	104,618,459
Securities Investment	9,752,385	-
Total Loans, net of deferred fees	431,920,571	416,016,235
Allowance for loan losses	(5,987,630)	(5,736,672)
NET LOANS	425,932,942	410,279,563
Federal Home Loan Bank stock, at cost	1,534,400	1,534,400
Premises and equipment	1,001,197	1,021,351
Other real estate owned	1,331,857	1,331,857
Operating lease ROU assets, net	1,147,694	1,250,081
Deferred tax asset	4,251,905	4,251,905
Other assets	2,006,545	2,001,222
TOTAL ASSETS	\$ 584,491,223	\$ 526,288,838
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 116,860,836	\$ 76,407,218
Interest bearing deposits	379,326,343	366,822,110
TOTAL DEPOSITS	496,187,179	443,229,327
FHLB borrowings	22,500,000	25,000,000
Subordinated notes, net	14,679,739	14,662,605
Other borrowings	1,746,439	1,746,439
Operating lease liabilities	1,312,793	1,425,856
Other liabilities	2,705,683	2,287,737
TOTAL LIABILITIES	539,131,834	488,351,964
TOTAL SHAREHOLDERS' EQUITY	45,359,389	37,936,874
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 584,491,223	\$ 526,288,838

Selected Financial and Ratios

Asset Quality Ratios

Nonperforming loans to total loans, net of deferred fees	0.46%	0.46%
Allowance for loan losses to total loans, net of deferred fees	1.39%	1.38%

Capital Ratios (1)

Tier 1 leverage ratio	9.93%	9.05%
Common equity tier 1 capital ratio	12.97%	11.28%
Tier 1 risk-based capital ratio	12.97%	11.28%
Total risk-based capital ratio	14.22%	12.53%
Common shares outstanding	2,047,146	2,047,146
Book value per share (2)	\$22.16	\$18.53
Fully diluted book value per share (3)	\$17.90	\$17.43

(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 \$22.16 includes \$6.0MM 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, 2022	March 31, 2021
Interest income	\$ 6,189,026	\$ 5,120,899
Interest expense	1,127,684	1,255,850
Net interest income	5,061,342	3,865,049
Provision for loan losses	298,000	270,000
Net interest income after provision for loan losses	4,763,342	3,595,049
Noninterest income	61,455	47,117
Noninterest expense	2,890,173	2,856,666
Income before taxes	1,934,625	785,500
Income tax	578,930	238,680
Net Income	\$ 1,355,695	\$ 546,820