



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES THIRD QUARTER 2017 RESULTS

Glendale, CA, December 20, 2017 - Golden State Bancorp (Ticker Symbol: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter ended September 30, 2017, which was again marked by strong growth in assets, loans, deposits, and income. Highlights include:

- Net Earnings of \$615,435 for the three months and \$1,586,522 for the nine months ended September 30, 2017, as compared to \$38,663 and \$176,975, respectively, for the same periods in 2016.
- Total Assets increased \$33.3 million, or 21%, from December 31, 2016 to \$192.2 million.
- Loans increased \$37.1 million, or 29%, to \$165.0 million.
- Deposits increased \$31.5 million, or 24%, to \$165.7 million.

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated “We are again very pleased with our results and progress. We recently closed on our \$5 million equity capital raise and should complete the \$5 million debt capital raise by year end. The outlook for the Bank remains positive and we will continue our growth and further improve our financial performance in 2018.”

Tom Byington, President and Chief Executive Officer of Golden State Bank stated “I am pleased with the significant progress that we have achieved so far in 2017, and our outlook remains positive for 2018.”

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 is committed to meeting the 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 client’s needs through its head office and branch in Glendale and regional office and branch in Upland. For more information, please visit www.goldenstatebank.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 Bank’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, 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 Bank 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 Bank’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 Selected Financials

GOLDEN STATE BANCORP Condensed Balance Sheet and Certain Financial Ratios (Unaudited)

ASSETS	<u>9/30/2017</u>	<u>12/31/2016</u>
Cash & due from banks	\$ 2,764,368	\$ 3,011,862
Federal Funds/FRB Balance	17,695,000	21,280,000
Total Loans, net of deferred fees	165,029,139	127,925,503
Allowance for Loan Losses	(1,507,468)	(1,312,468)
NET LOANS	163,521,671	126,613,035
Other real estate owned	5,460,267	5,460,267
Other assets	2,802,903	2,552,058
TOTAL ASSETS	<u>\$ 192,244,209</u>	<u>\$ 158,917,222</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 51,847,020	\$ 42,582,057
Interest bearing deposits	113,820,824	91,560,394
TOTAL DEPOSITS	165,667,844	134,142,451
FHLB borrowings	10,000,000	10,000,000
Other liabilities	863,056	681,626
TOTAL LIABILITIES	176,530,900	144,824,077
TOTAL SHAREHOLDERS' EQUITY	15,713,309	14,093,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 192,244,209</u>	<u>\$ 158,917,222</u>

Asset Quality Ratios (1)

Nonperforming Loans to Total Loans, net of deferred fees	0.19%	0.54%
Allowance for Loan Losses to Total Loans, net of deferred fees	0.91%	1.03%

Capital Ratios (1)

Tier 1 Leverage Ratio	8.59%	8.77%
Common Equity Tier 1 Risk Based Capital Ratio	8.66%	9.65%
Tier 1 Risk Based Capital Ratio	8.66%	9.65%
Total Risk Based Capital Ratio	9.54%	10.61%
Book value per share	\$ 12.02	\$ 10.78
Total Equivalent Common Shares	1,307,006	1,307,006

(1) All ratios calculated are at the "Bank" level, except per share information, which is at the "Bancorp" level.

GOLDEN STATE BANCORP
Condensed Income Statement
(Unaudited)

	Three Months Ended:		Nine Months Ended:	
	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
Interest income	\$ 2,405,262	\$ 1,504,418	\$ 6,391,466	\$ 4,208,896
Interest expense	367,732	208,460	988,962	536,651
Net interest income	2,037,530	1,295,958	5,402,504	3,672,245
Provision for loan losses	100,000	-	160,000	(270,000)
Net interest income after provision for loan losses	1,937,530	1,295,958	5,242,504	3,942,245
Noninterest income	116,644	107,748	276,362	258,259
Noninterest expense	1,438,739	1,365,043	3,930,824	4,021,129
Earnings before income taxes	615,435	38,663	1,588,042	179,375
Income tax provision	-	-	1,520	2,400
NET EARNINGS	\$ 615,435	\$ 38,663	\$ 1,586,522	\$ 176,975