



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES FIRST QUARTER 2017 RESULTS

Glendale, CA, May 2, 2017 - Golden State Bancorp (Ticker Symbol: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter ended March 31, 2017, which was marked by strong growth in assets, loans, deposits, and income. Highlights include:

- Net Earnings of \$452,759 in the quarter, as compared to \$73,093 in the first quarter of 2016.
- Total Assets increased \$7.5 million, or 5%, from December 31, 2016 to \$166.4 million.
- Loans increased \$10.7 million, or 8%, to \$138.7 million.
- Deposits increased \$7.0 million, or 5%, to \$141.2 million.

Robert Setrakian, Chairman of the Board stated “We are very pleased with our results. A solid foundation has been built to position Golden State for its continuous profitable growth. We should be solidly profitable in 2017. We will soon announce our plans for our next stage of growth, including the raising of new capital to support this growth.”

Tom Byington, President and Chief Executive Officer stated “We are proud of our accomplishments to date and are looking forward to exciting times at Golden State. We are pleased that our credit quality is exceptional and that we have no loans that are past due at this time. We look forward to further quality growth ahead, continuous improvements in net interest margins and operating efficiencies.”

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 predicted 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

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| GOLDEN STATE BANCORP Condensed Balance Sheet and Certain Financial Ratios (Unaudited) |
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| ASSETS | <u>3/31/2017</u> | <u>12/31/2016</u> |
|---|------------------------------|------------------------------|
| Cash & due from banks | \$ 2,093,928 | \$ 3,011,862 |
| Federal Funds/FRB Balance | 18,985,000 | 21,280,000 |
| Loans, net of deferred fees | 138,652,323 | 127,925,503 |
| Allowance for Loan Losses | (1,377,468) | (1,312,468) |
| NET LOANS | 137,274,855 | 126,613,035 |
| Other real estate owned | 5,460,267 | 5,460,267 |
| Other assets | 2,604,691 | 2,552,058 |
| TOTAL ASSETS | <u>\$ 166,418,741</u> | <u>\$ 158,917,222</u> |
| | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Noninterest bearing deposits | \$ 36,643,198 | \$ 42,582,057 |
| Interest bearing deposits | 104,520,866 | 91,560,394 |
| TOTAL DEPOSITS | 141,164,064 | 134,142,451 |
| FHLB borrowings | 10,000,000 | 10,000,000 |
| Other liabilities | 697,559 | 681,626 |
| TOTAL LIABILITIES | 151,861,623 | 144,824,077 |
| TOTAL SHAREHOLDERS' EQUITY | 14,557,118 | 14,093,145 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u>\$ 166,418,741</u> | <u>\$ 158,917,222</u> |
| | | |
| Asset Quality Ratios (1) | | |
| Nonperforming Loans to Total Loans | 0.23% | 0.54% |
| Allowance for Loan Losses to Total Loans | 0.99% | 1.03% |
| | | |
| Capital Ratios (1) | | |
| Tier 1 Leverage Ratio | 9.26% | 8.77% |
| Common Equity Tier 1 Risk Based Capital Ratio | 9.42% | 9.65% |
| Tier 1 Risk Based Capital Ratio | 9.42% | 9.65% |
| Total Risk Based Capital Ratio | 10.37% | 10.61% |
| Book value per share | \$ 11.14 | \$ 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.

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| GOLDEN STATE BANCORP Condensed Income Statement (Unaudited) |
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Three Months Ended:

| | <u>3/31/2017</u> | <u>3/31/2016</u> |
|---|---------------------------------|--------------------------------|
| Interest income | \$ 1,883,382 | \$ 1,339,194 |
| Interest expense | 288,494 | 157,992 |
| Net interest income | 1,594,888 | 1,181,202 |
| Provision for loan losses | 30,000 | (130,000) |
| Net interest income after provision for loan losses | 1,564,888 | 1,311,202 |
| Noninterest income | 93,266 | 91,178 |
| Noninterest expense | 1,203,875 | 1,329,287 |
| Earnings (loss) before income taxes | 454,279 | 73,093 |
| Income tax provision | 1,520 | - |
| NET EARNINGS | <u><u>\$ 452,759</u></u> | <u><u>\$ 73,093</u></u> |