



FOR IMMEDIATE RELEASE

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GOLDEN STATE BANCORP ANNOUNCES FOURTH QUARTER AND FULL YEAR 2017 RESULTS

Glendale, CA, March 27, 2018 - Golden State Bancorp (Ticker Symbol: GSBX), the holding company of Golden State Bank, today announced financial results for the quarter and year ended December 31, 2017, which was again marked by strong growth in assets, loans, deposits, and income. Highlights include:

- Net Earnings of \$243,925 for the three months and \$1,830,447 for the twelve months ended December 31, 2017, which both include a one-time provision for loan losses of \$500,000. This compares to \$98,484 and \$275,459, respectively, for the same periods in 2016.
- Total Assets increased \$55.6 million, or 35%, from December 31, 2016 to \$214.5 million.
- Loans increased \$60.3 million, or 47%, to \$188.2 million.
- Deposits increased \$33.5 million, or 25%, to \$167.7 million.

Robert Setrakian, Chairman of the Board and Chief Executive Officer of Golden State Bancorp stated “We are pleased with our results and progress. We decided to be very conservative and despite the high quality of our loan portfolio, took a one-time provision for loan losses of \$500,000 in the quarter. We were planning on taking catch up provisions commensurate with our loan growth throughout the 4 quarters in 2018, but decided to do so in this quarter. 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 made 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)
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ASSETS	<u>12/31/2017</u>	<u>12/31/2016</u>
Cash & due from banks	\$ 2,483,153	\$ 3,011,862
Federal Funds/FRB Balance	17,555,000	21,280,000
Total Loans, net of deferred fees	188,232,940	127,925,503
Allowance for Loan Losses	(2,091,968)	(1,312,468)
NET LOANS	186,140,972	126,613,035
Other real estate owned	5,460,267	5,460,267
Other assets	2,849,692	2,552,058
TOTAL ASSETS	<u>\$ 214,489,084</u>	<u>\$ 158,917,222</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	\$ 41,654,845	\$ 42,582,057
Interest bearing deposits	125,998,376	91,560,394
TOTAL DEPOSITS	167,653,221	134,142,451
FHLB borrowings	20,000,000	10,000,000
Other liabilities	5,867,415	681,626
TOTAL LIABILITIES	193,520,636	144,824,077
TOTAL SHAREHOLDERS' EQUITY	20,968,448	14,093,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 214,489,084</u>	<u>\$ 158,917,222</u>

Asset Quality Ratios (1)

Nonperforming Loans to Total Loans, net of deferred fees	0.16%	0.54%
Allowance for Loan Losses to Total Loans, net of deferred fees	1.11%	1.03%

Capital Ratios (1)

Tier 1 Leverage Ratio	12.10%	8.77%
Common Equity Tier 1 Risk Based Capital Ratio	12.14%	9.65%
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Total Risk Based Capital Ratio	13.22%	10.61%
Book value per share	\$ 12.40	\$ 10.78
Total Equivalent Common Shares	1,691,622	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:		Twelve Months Ended:	
	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Interest income	\$ 2,734,493	\$ 1,632,676	\$ 9,125,959	\$ 5,841,572
Interest expense	441,392	292,628	1,430,354	829,279
Net interest income	2,293,101	1,340,048	7,695,605	5,012,293
Provision for loan losses	584,500	-	744,500	(270,000)
Net interest income after provision for loan losses	1,708,601	1,340,048	6,951,105	5,282,293
Noninterest income	151,112	61,518	427,474	319,777
Noninterest expense	1,615,788	1,303,082	5,546,612	5,324,211
Earnings before income taxes	243,925	98,484	1,831,967	277,859
Income tax provision	-	-	1,520	2,400
NET EARNINGS	\$ 243,925	\$ 98,484	\$ 1,830,447	\$ 275,459