GOLD COAST BANCORP, INC.

NEWS

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LONG ISLAND'S GOLD COAST BANCORP REPORTS HIGHER QUARTERLY AND YEAR TO DATE NET INCOME, HOLDING COMPANY FORMATION AND SUBORDINATED NOTE OFFERING

(Islandia, NY) October 23, 2017 – Gold Coast Bancorp, Inc. (OTC:GLDT) ("Gold Coast"), the holding company of Gold Coast Bank, known as "Long Island's Community Bank"SM, (the"Bank") today reported net income for the quarter ended September 30, 2017 of $816,000 compared with net income of $594,000 for the quarter ended September 30, 2016, a 37 PERCENT INCREASE. On a per share basis, Gold Coast earned $0.21 per share in the quarter ended September 30, 2017 compared with $0.15 per share in the quarter ended September 30, 2016. Return on average assets and return on average equity was 0.69 percent and 7.68 percent, respectively, in the third quarter of 2017, compared to 0.59 percent and 5.84 percent, respectively, in the 2016 third quarter.

For the nine months ended September 30, 2017, Gold Coast earned $1,976,000 compared with net income of $1,584,000 for the same period in 2016, a 25 PERCENT INCREASE. On a per share basis, Gold Coast earned $0.50 per share compared with $0.46 per share in the prior year period. Return on average assets and return on average equity was 0.58 percent and 6.38 percent, respectively, for the nine months ended September 30, 2017, compared to 0.55 percent and 6.09 percent, respectively, for the nine months ended September 30, 2016.

Gold Coast also announced that the effective date of its holding company reorganization was September 1, 2017. As part of the reorganization, Gold Coast Bancorp became the parent of the Bank and shares of the Bank were exchanged for shares of the holding company on a one for one basis. The shares continue to trade on the over-the-counter market under the symbol "GLDT".

On September 29, 2017, Gold Coast Bancorp completed the sale of $13.5 million of its fixed-to-floating rate Subordinated Notes due 2027 (the "Notes") to certain institutional and accredited investors. The Notes will initially bear interest at 6.50% per annum until October 1, 2022; thereafter, the Notes will be payable at an annual floating rate equal to three-month LIBOR plus a spread of 4.55% until maturity or early redemption. The Company plans to use the proceeds of the offering, net of $202 thousand in issuance costs, for general corporate purposes, including the contribution of capital to the Bank to support continued growth.

Total assets at September 30, 2017 were $477 million, an increase of $76 million, or 19 percent from total assets of $400 million at September 30, 2016. Total assets increased $48 million, or 11 percent, from total assets of $429 million at December 31, 2016.

Deposits at September 30, 2017 totaled $417 million, an increase of $61 million, or 17 percent, compared with $356 million, at September 30, 2016. Total deposits increased $52 million, or 14 percent, from $365 million at December 31, 2016. Non-interest bearing demand deposits were 24 percent of the total deposit portfolio at

September 30, 2017 compared to 27 percent at September 30, 2016, and 31 percent at December 31, 2016, respectively. During the nine months ended September 30, 2017, the bank repaid $20 million in FHLBNY borrowings.

Total loans outstanding at September 30, 2017 were $365 million, an increase of $62 million, or 20 percent from $303 million at September 30, 2016 and an increase of $25 million, or 7 percent from $340 million at December 31, 2016. Loan originations and draws were $18 million in both the third quarter of 2017 and the third quarter of 2016. Loan originations and draws were $90 million for the nine months ended September 30, 2017, compared to $64 million for the same nine month period in 2016.
Asset quality continues to remain strong: The Bank's nonperforming loans were 0.41 percent of gross loans at September 30, 2017. Allowance for loan losses was 1.04 percent of total loans at September 30, 2017.
The Bank remained well –capitalized at September 30, 2017, with the following regulatory capital ratios:

- Tier 1 Leverage Capital Ratio of 11.7 percent.
- Common Equity Tier 1 Capital and Tier 1 Capital Ratios of 15.8 percent
- Total Capital Ratio of 16.9 percent

The Bank's capital ratios at September 30, 2017, reflect a capital contribution of $12 million from the Company from the proceeds of its subordinated note offering.
At September 30, 2017, book value was $10.83 per share, increasing from $10.61 per share at June 30, 2017.
Net interest income grew $632,000, or 21 percent in the third quarter of 2017 compared to the third quarter of 2016, largely due to a 16 percent increase in average interest earning assets, partially coupled with an increase in the net interest margin to 3.10 percent in the most recent quarter compared to 2.97 percent in the same quarter last year. Net interest income grew $1,524,000, or 17 percent for the nine months ended September 30, 2017, compared to the same nine month period in 2016, due to an 18 percent increase in average interest earning assets, partially offset by a modest decrease in the net interest margin to 3.09 percent in the most recent nine month period compared to 3.10 percent in the 2016 nine month period. The decrease in the Bank's net interest margin is largely due to an increase in the Bank's cost of funds.

John C. Tsunis, Chairman and CEO stated, “The formation of our holding company and the successful completion of our subordinated debt offering will allow us to continue to execute on our strategic growth plan and manage our capital levels without diluting our existing shareholders. Specifically, the subordinated debt offering will empower us to continue and enhance our team's efforts for continued, prudent loan growth with our best customers, as well as increasing our lending limit, allowing us to attract new customers with larger credit needs, when warranted. Our ability to compete for quality, larger, seasoned loans with these customers in real estate and the commercial /industrial segments of our market will help diversify and expand our loan portfolio, and generate additional deposits. We will be vigilant for growth opportunities within our marketplace, and seek to efficiently deploy our team, capital, and technology to expand our presence to service our growing customer base.”

About Gold Coast Bancorp, Inc.
Gold Coast Bancorp, Inc. is the holding company for Gold Coast Bank. Headquartered in Islandia with additional branches located in Huntington, Setauket, Farmingdale, Mineola, Southampton and Brooklyn, Gold Coast Bank is a New York State chartered bank whose popularity and reputation stems from the strong, long-term relationships cultivated among its large and diverse customer base. The bank's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Gold Coast Bank prides itself on providing businesses and individuals with quality lending and banking services. Fulfilling a unique niche within our metropolitan New York trade area, Gold Coast Bank delivers specialty lending capabilities in a variety of areas that include real estate, equipment finance, and lines of credit for privately owned businesses.

For more information about Gold Coast Bancorp, Inc. and Gold Coast Bank, please visit www.gcbny.com Our press releases, and other material information published by the Company and the Bank, may be found on our website under the tab ‘Investor Relations’.

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