

CONSOLIDATED STATEMENT  
OF FINANCIAL CONDITION  
March 31, 2008 UNAUDITED



HomeStreet Bank®

ASSETS

(Dollars in Thousands)

Cash & cash equivalents	56,544
Mortgage-backed securities available for sale	133,109
Mortgage loans held for sale	96,906
Loans held for investment	2,468,960
Mortgage servicing rights	46,683
Accounts receivable and other assets	14,087
Accrued interest receivable	11,487
Real estate held for sale	3,493
Federal Home Loan Bank stock	37,027
Property and equipment, net	10,129
	<u>\$2,878,425</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	\$1,722,823
Other borrowings	840,430
Accounts payable and other liabilities	54,550
Federal income taxes payable	6,553
	<u>2,624,355</u>
Shareholders' equity, in accordance with generally accepted accounting principles	254,070
	<u>\$2,878,425</u>

Mortgage loans currently serviced for others

\$4,720,733

At March 31, 2008, HomeStreet Bank had the following capital ratios calculated in accordance with FIRREA's capital standard and exceeded the FDICIA standards of a "well-capitalized" institution:

	<i>HomeStreet Bank</i>			<i>Well Capitalized</i>			<i>Required Ratios</i>	
	<u>Amount</u>	<u>Ratio</u>		<u>Amount</u>	<u>Ratio</u>		<u>Amount</u>	<u>Ratio</u>
Total risk-based capital (to risk weighted assets)	\$284,096	11.4%	≥	\$249,422	10.0%	≥	\$199,538	8.0%
Tier 1 risk-based capital (to risk weighted assets)	\$252,835	10.1%	≥	\$149,653	6.0%	≥	\$99,769	4.0%
Tier 1 leverage capital (to average assets)	\$252,835	9.0%	≥	\$141,322	5.0%	≥	\$113,058	4.0%

This statement has been prepared in accordance with the regulatory reporting requirements of the FDIC. Tier 1 risk-based capital, Tier 1 leverage capital and total risk-based capital are the elements of regulatory capital determined under such reporting requirements. Regulatory capital is a basis by which the FDIC determines whether a savings association is operating in a safe and sound manner. Retirement deposits are insured to \$250,000 and other deposits are insured to \$100,000 by the FDIC.