

CONSOLIDATED STATEMENT  
OF FINANCIAL CONDITION  
June 30, 2008 UNAUDITED



ASSETS	(Dollars in Thousands)
Cash & cash equivalents	49,647
Investment securities available for sale	127,281
Mortgage loans held for sale	111,068
Loans held for investment	2,540,867
Mortgage servicing rights	53,771
Accounts receivable and other assets	13,252
Accrued interest receivable	10,897
Real estate held for sale	4,532
Federal Home Loan Bank stock	37,027
Property and equipment, net	10,014
	<u>\$2,958,356</u>

LIABILITIES AND SHAREHOLDERS' EQUITY	
Deposits	\$1,573,065
Federal Home Loan Bank borrowings	\$753,771
Other borrowings	326,359
Accounts payable and other liabilities	48,998
Federal income taxes payable	2,945
	<u>2,705,138</u>
Shareholders' equity, in accordance with generally accepted accounting principles	253,218
	<u>\$2,958,356</u>

At June 30, 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)	\$285,047	11.3%	≥	\$252,855	10.0%	≥	\$202,284	8.0%
Tier 1 risk-based capital (to risk weighted assets)	\$253,266	10.0%	≥	\$151,713	6.0%	≥	\$101,142	4.0%
Tier 1 leverage capital (to average assets)	\$253,266	8.6%	≥	\$147,184	5.0%	≥	\$117,747	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.

Updated: September 30, 2008