

CONSOLIDATED STATEMENT  
OF FINANCIAL CONDITION  
June 30, 2009 UNAUDITED



ASSETS

(Dollars in Thousands)

Cash & cash equivalents	\$ 310,968
Investment securities available for sale	411,399
Mortgage loans held for sale	92,267
Loans held for investment	2,215,351
Mortgage servicing rights	65,868
Accounts receivable and other assets	22,552
Accrued interest receivable	9,932
Real estate held for sale	38,310
Federal income taxes receivable	25,149
Federal Home Loan Bank stock	37,027
Property and equipment, net	9,704
	<u>\$ 3,238,526</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	\$ 2,298,777
Federal Home Loan Bank borrowings	684,090
Other borrowings	13,900
Accounts payable and other liabilities	26,460
	<u>3,023,226</u>
Shareholders' equity, in accordance with generally accepted accounting principles	215,300
	<u>\$ 3,238,526</u>

At June 30, 2009, 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)	\$242,084	10.9%	≥	\$221,890	10.0%	≥	\$177,512	8.0%
Tier 1 risk-based capital (to risk weighted assets)	\$213,514	9.6%	≥	\$133,134	6.0%	≥	\$88,756	4.0%
Tier 1 leverage capital (to average assets)	\$213,514	6.7%	≥	\$159,701	5.0%	≥	\$127,761	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. Effective October 3, 2008, FDIC deposit insurance temporarily increased from \$100,000 to \$250,000 per depositor through December 31, 2013.