

HomeStreet, Inc.  
Form FWP  
February 08, 2012

Notices

Please read the following notices before reviewing the information contained herein:

The  
information  
in  
this  
document  
has  
been  
prepared  
solely  
for  
informational  
purposes

and  
does  
not  
constitute  
an  
offer  
to  
sell  
or  
the  
solicitation  
of  
an  
offer  
to  
purchase  
any  
securities  
from  
any  
entities  
described  
herein.  
Any  
such  
offer  
will  
be  
made  
solely  
by  
means  
of  
the  
prospectus  
contained  
in  
the  
registration  
statement  
(collectively,  
the  
Registration  
Statement )  
filed  
by  
HomeStreet  
Inc.  
(the  
Company )

with  
the  
Securities  
and  
Exchange  
Commission  
(the  
SEC ).

The  
information  
contained  
herein  
may  
not  
be  
used  
in  
connection  
with  
an  
offer  
or  
solicitation  
by  
anyone  
in  
any  
jurisdiction  
in  
which  
such  
offer  
or  
solicitation  
is  
not  
permitted  
by  
law  
or  
in  
which  
the  
person  
making  
the  
offer  
or  
solicitation  
is

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qualified  
to  
do  
so  
or  
to  
any  
person  
to  
whom  
it  
is  
unlawful  
to  
make  
such  
offer  
or  
solicitation.  
All  
information  
herein  
is  
subject  
to  
revision.  
No  
representation  
or  
warranty  
can  
be  
given  
with  
respect  
to  
the  
accuracy  
or  
completeness  
of  
the  
information  
herein,  
or  
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respect  
to  
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terms  
of  
any  
future  
offer  
of  
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conforming  
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hereof.  
Any  
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amended,  
and  
supplemented  
in  
its  
entirety  
by  
the  
Registration  
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(and  
any  
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prospectus  
relating  
thereto)  
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decision  
to  
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in  
the  
securities  
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solely

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reliance  
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Registration  
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(and  
any  
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prospectus  
relating  
thereto).  
Unless,  
and  
until,  
this  
document  
has  
been  
publicly  
disclosed  
by  
the  
Company,  
this  
document  
is  
confidential  
and  
is  
intended  
solely  
for  
the  
information  
of  
the  
person  
to  
whom  
it  
has  
been  
presented  
and  
it  
may  
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retained,  
reproduced  
or  
distributed,  
in  
whole  
or  
in  
part,  
by  
any  
means  
(including  
electronically),  
without  
the  
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written  
consent  
of  
the  
Company.  
Nothing  
contained  
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should  
be  
construed  
as  
tax,  
accounting  
or  
legal  
advice.  
Neither  
the  
Company  
nor  
any  
of  
its  
affiliates  
or  
representatives  
accept  
any  
responsibility  
for  
the  
tax



treatment  
of  
any  
investment  
in  
the  
securities  
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the  
Company.  
You  
(and  
each  
of  
your  
employees,  
representatives  
or  
other  
agents)  
may  
disclose  
to  
any  
and  
all  
persons,  
without  
limitation  
of  
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kind,  
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and  
tax  
structure  
of  
the  
transactions  
contemplated  
by  
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materials  
and  
all  
materials  
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any

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(including  
opinions  
or  
other  
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analyses)  
that  
are  
provided  
to  
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relating  
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treatment  
and  
structure.  
For  
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transaction  
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federal  
income  
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of  
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purported  
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claimed  
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federal  
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tax  
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transaction.

INVESTING  
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DESCRIPTION  
OF  
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AND  
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Company  
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prospectus)  
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Before  
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documents  
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Company  
has  
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complete  
information  
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Company

and  
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offering.  
You  
may  
get  
these  
documents  
for  
free  
by  
visiting  
EDGAR  
on  
the  
SEC  
website  
at  
[www.sec.gov](http://www.sec.gov).  
Alternatively,  
the  
Company,  
any  
underwriter  
or  
any  
dealer  
participating  
in  
the  
offering  
will  
arrange  
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Capital  
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846

5050.  
The  
information  
contained  
herein  
contains  
forward-looking  
statements.  
These  
forward-looking  
statements  
are  
based  
on  
the  
Company's  
current  
expectations,  
beliefs,  
projections,  
future  
plans  
and  
strategies,  
anticipated  
events  
or  
trends  
and  
similar  
expressions  
concerning  
matters  
that  
are  
not  
historical  
facts,  
as  
well

as  
a  
number  
of  
assumptions  
concerning  
future  
events.  
These  
statements  
are  
subject  
to  
risks,  
uncertainties,  
assumptions  
and  
other  
important  
factors  
set  
forth  
in  
the  
Registration  
Statement,  
many  
of  
which  
are  
outside  
the  
Company's  
control,  
that  
could  
cause  
actual  
results  
to  
differ  
materially  
from  
the  
results  
discussed  
in  
the  
forward-looking  
statements.

Actual  
results  
may  
vary  
materially  
from  
those  
expressed  
or  
implied,  
and  
there  
can  
be  
no  
assurance  
that  
estimated  
returns  
or  
projections  
will  
be  
realized  
or  
that  
actual  
returns  
will  
not  
be  
materially  
different  
than  
estimated  
herein.  
Accordingly,  
you  
are  
cautioned  
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to  
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undue  
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on  
such  
forward-looking  
statements.  
You



should  
conduct  
your  
own  
analysis,  
using  
such  
assumptions  
as  
you  
deem  
appropriate,  
and  
should  
fully  
consider  
other  
available  
information,  
including  
the  
information  
described  
under  
Forward-Looking  
Statements  
and  
Risk  
Factors  
in  
the  
Registration  
Statement,  
in  
making  
a  
decision  
to  
invest.  
Past  
performance  
is  
not  
necessarily  
indicative  
of  
future  
results.  
All  
forward-looking

statements  
are  
based  
on  
information  
available  
to  
the  
Company  
as  
of  
the  
date  
hereof  
and  
the  
Company  
assumes  
no  
obligation  
to,  
and  
expressly  
disclaims  
any  
obligation  
to,  
update  
or  
revise  
any  
forward-looking  
statements,  
whether  
as  
a  
result  
of  
new  
information,  
future  
events  
or  
otherwise.  
To  
supplement  
the  
Company's  
financial  
statements

presented  
in  
accordance  
with  
generally  
accepted  
accounting  
principles  
( GAAP ),  
the  
Company  
uses  
non-GAAP  
measures  
of  
certain  
components  
of  
financial  
performance.  
These  
non-GAAP  
measures  
are  
provided  
to  
enhance  
investors  
overall  
understanding  
of  
the  
Company s  
current  
financial  
performance  
and  
its  
prospects  
for  
the  
future.  
Specifically,  
the  
Company  
believes  
the  
non-GAAP  
results  
provide

useful  
information  
to  
both  
management  
and  
investors.  
These  
measures  
should  
be  
considered  
in  
addition  
to  
results  
prepared  
in  
accordance  
with  
GAAP,  
but  
should  
not  
be  
considered  
a  
substitute  
for,  
or  
superior  
to,  
GAAP  
results.

Offering Summary

(1) Includes proceeds from side-by-side private placement, but excludes over-allotment shares.

(2)

Assumes

offering

price

of

\$44.00

per

share

(midpoint

of

the

offering

range  
of  
\$43.00  
to  
\$45.00  
per  
share).  
Of  
these  
shares,  
1,250,000  
shares  
are  
offered  
in  
the  
public  
offering  
and  
113,636  
in  
the  
private  
placement.  
Excludes  
36,681  
shares  
subject  
to  
restricted  
stock  
awards  
to  
be  
issued  
to  
certain  
employees  
and  
our  
non-employee  
directors  
upon  
the  
closing  
of  
this  
offering.  
3  
Issuer

HomeStreet Inc.

Ticker

NASDAQ: HMST

Offering Type

Initial public offering of common stock

Offering Size

(1)

\$60,000,000

Over-allotment Option

15%

Total Shares Offered

(2)

1,363,636

Pro Forma Shares

(2)

2,714,510

Offering Range

\$43.00 -

\$45.00 per share

Use of Proceeds

Increase capital levels

Fund growth in commercial banking activities

General corporate purposes

Underwriter

FBR Capital Markets

Recent Developments

Q4 2011 and January 2012 Financial Results

Earned \$7.0 million in Q4 and \$8.2 million in January 2012 driven by high mortgage banking revenue

Q4 write-offs of \$2.4 million of IPO-related costs

Q4 adjusted ROAE of 45.1%

(1)

January 2012 NIM of 2.50% increased 12 bps since Q3 2011

Increased single family closed loan production by ~33% in Q4 to \$624 million;

January 2012 application locks of \$267 million and closed loan production of \$162 million



Low rates and market share gains -

deconsolidation from large originators

Tangible book value increased 20% from \$79.9 million in Q3 to \$95.6 million

(2)

Dramatic Credit Improvement Q3 2011 through January 2012

NPAs down ~30% to \$111 million

NPA/Assets declined to 4.9%

OREO down 45% to \$36 million

Classified assets decreased 15% to \$191 million

4

Source: S-1 filing and HomeStreet Inc.

(1) Net income of \$7.0 million adjusted for \$2.4 million of IPO related expenses

(2) Represents tangible book as of January 31, 2012 . See Appendix for reconciliation of non-GAAP financial measures.

#### Recent Developments

##### Regulatory Update

Management expects the Tier 1 Leverage ratio requirement to be 8.5%

Pro forma for this offering, the Bank's capital levels will meet or exceed the anticipated regulatory target

Upon completion of the offering and subject to successful outcome of the FDIC's on-site visit in February / March, we expect replacement of the C&D order with

another form of enforcement agreement

##### MetLife Mortgage Origination Team Addition

Hired a team of 140+ mortgage originators in the Pacific Northwest from MetLife

100% retail

This team was responsible for \$1.2 billion of originations in 2011



\$177  
\$210  
\$336  
\$444  
\$114  
\$99  
\$114  
\$142  
\$180  
\$48  
\$267  
\$276  
\$324  
\$478

\$624  
\$429  
\$0  
\$200  
\$400  
\$600  
\$800  
Q1  
11  
Q2  
11  
Q3  
11  
Q4  
11  
Jan  
12

Highly Profitable Mortgage Origination Franchise

High loan origination volume in Q4 and continuing in January 2012

Driven by low interest rates and HARP 2.0

230 retail loan producers

(1)

including the addition of 70 loan producers in February from

MetLife; no brokered originations

Source: HomeStreet Inc.

(1) Includes Windermere Real Estate Services.

(2) Represents single family held for sale production.

6

Single

Family

Closed

Loan

Production

(2)

(\$

mm)

HomeStreet

Windermere

January Application Lock Volume

\$9.3  
\$25.7  
\$12.6  
\$8.9  
\$0  
\$10  
\$20  
\$30  
Q2  
11  
Q3  
11  
Q4  
11

Jan

12

Significant increase in noninterest income driven by higher originations and gain on sale margins

Operating efficiency ratio improved to 46.3% in January 2012 from its peak of 156.4%

(1)

\$1.3

\$15.3

\$7.0

\$8.2

\$0

\$4

\$8

\$12

\$16

Q2

11

Q3

11

Q4

11

Jan

12

Third Consecutive Quarter of Profitability

Source: S-1 filing and HomeStreet Inc.

(1) Operating efficiency peak as of December 31, 2009. See Appendix for reconciliation of non-GAAP financial measures.

(2) Calculated as pre-tax earnings + OREO expense + IPO-related expense + provision expense. See Appendix for reconciliation.

7

Pre-Tax Pre-Provision

(2)

(\$ millions)

Net Income (\$ millions)

Efficient Retail Deposit Funding Base

NIM increased 165 bps to 2.50% in January 2012 from a low of 0.85%

(1)

Cost of funding declined 333 bps to 1.13% in January from a high of 4.46%

(2)

Source: S-1 filing and HomeStreet Inc.

(1) For the quarter ended September 30, 2009.

(2) Simple average of the cost of funds for the three months in Q3 2007.

Bank Cost of Funding (%)

Net Interest Margin (%)

8

3.07%

2.90%



2.71%  
2.54%  
2.35%  
2.20%  
1.87%  
1.74%  
1.65%  
1.56%  
1.43%  
1.16%  
1.13%  
1.00%  
1.50%  
2.00%  
2.50%  
3.00%  
3.50%  
Q1  
09  
Q2  
09  
Q3  
09  
Q4  
09  
Q1  
10  
Q2  
10  
Q3  
10  
Q4  
10  
Q1  
11  
Q2  
11  
Q3  
11  
Q4  
11  
Jan  
12  
1.50%  
0.98%  
0.85%  
0.85%  
0.96%  
1.16%  
1.68%

2.34%

2.17%

2.35%

2.38%

2.50%

2.50%

0.5%

1.0%

1.5%

2.0%

2.5%

3.0%

Q1

09

Q2

09

Q3

09

Q4

09

Q1

10

Q2

10

Q3

10

Q4

10

Q1

11

Q2

11

Q3

11

Q4

11

Jan

12

Significant Credit Improvement Since Q3

9

\$225.0

\$191.2

\$180

\$200

\$220

\$240

Q3 2011

Jan 2012

(15%)

\$98.5

\$80.7

\$21.1

\$5.5  
\$39.9  
\$24.7  
\$159.5  
\$110.9  
\$70  
\$90  
\$110  
\$130  
\$150  
\$170  
Q3 2011  
Jan 2012  
Adjusted NPAs  
OREO Contracted for Sale  
NPLs, Paying as Agreed  
(30%)  
Nonperforming Assets (\$ mm)  
Classified Assets / (Tier 1 + ALLL)  
(1)  
Classified Assets (\$ mm)  
123%  
71%  
0.0%  
50.0%  
100.0%  
150.0%  
Actual January 2012  
Pro Forma Adjusted January 2012 (1)  
(42%)  
Source: S-1 filing and HomeStreet Inc.  
(1)  
Assumes  
initial  
public  
offering  
of  
\$55  
million  
plus  
a  
\$5  
million  
private  
placement  
net  
of  
transaction  
expenses  
of

\$6.8 million.  
Assumes an additional \$17.6 mm of trust preferred securities receive tier 1 capital treatment.  
Classified assets adjusted for \$5.5 million of OREO contracted for sale and \$24.7 million of current NPLs, paying as agreed.  
Represents holding company tier 1 capital.

Aggressive OREO Sales

OREO declined 45% since Q3 driven by accelerated sales

Balances greater than 180 days decreased 27%

(1)

16% or \$5.5 million of existing OREO is already contracted for sale

(2)

10

Days in OREO (\$ mm)

Source: S-1 filing and HomeStreet Inc.

(1) Decline from Q3 2011.

(2) As of January 31, 2012.

\$18.6

\$2.6

\$4.5

\$2.6  
\$41.3  
\$30.3  
\$64.4  
\$35.5  
\$0  
\$25  
\$50  
\$75  
Q3 2011  
Jan 2012  
Less than 90 Days  
90 Days -  
180 Days  
Greater than 180 Days  
(45%)

Conservatively Marked Portfolio  
OREO has been sold to date at 63%

(1)  
of unpaid principal balance  
NPAs currently carried at 54%

(2)  
of UPB

Carrying Value of Nonperforming Assets

11

Source: HomeStreet Inc.

(1) Represents quarterly average of OREO sales from Q3 2009 to Q4 2011.

(2) As of January 31, 2012.

(3) Includes loan charge offs of \$29.5 million and OREO writedowns of \$21.6 million.

(4) In addition to specific reserves of \$15.6 million on nonperforming loans, the Company has remaining reserves of \$26.3 million.



(4)  
 (3)  
 (\$ in millions)  
 Category  
 Unpaid  
 Principal  
 Balance  
 LTD Charge  
 Offs / Write  
 Downs  
 Net Book  
 Value at  
 1/31/2012  
 Specific  
 Reserves at  
 1/31/2012  
 CV - Specific  
 Reserves  
 CV - Specific  
 Reserves %  
 of Unpaid  
 Principal  
 Balance  
 Remaining  
 Reserves on  
 all other  
 Loans  
 1-4 Family  
 15.2  
 \$  
 1.2  
 \$  
 14.0  
 \$  
 0.2  
 \$  
 13.8  
 \$  
 90.8%  
 CRE - Owner Occupied  
 7.7  
 0.5  
 7.2  
 0.3  
 6.9  
 89.6%  
 CRE - Non Owner Occupied  
 3.3  
 0.4  
 2.9

0.0  
2.9  
87.9%  
C&I  
1.2  
0.2  
1.0  
0.4  
0.6  
50.0%  
Construction  
60.1  
12.0  
48.1  
14.7  
33.4  
55.6%  
Consumer  
2.5  
0.3  
2.2  
0.0  
2.2  
88.0%  
Nonperforming Loans  
90.0  
\$  
14.6  
\$  
75.4  
\$  
15.6  
\$  
59.8  
\$  
66.4%  
26.3  
\$  
OREO  
86.6  
51.1  
35.5  
0.0  
35.5  
  
41.0%  
Nonperforming Assets  
176.6  
\$  
65.7

\$  
110.9  
\$  
15.6  
\$  
95.3  
\$  
54.0%  
26.3  
\$

Strong Reserves

HomeStreet's reserves / loans are 28% above peer averages

(1)(2)

Source: S-1 filing, HomeStreet Inc. and SNL Financial.

(1)

Company-identified

peers

include

BANR,

CACB,

COBZ,

COLB,

CPF,

CVBF,

GBCI,  
PACW,  
PCBC,  
STSA,  
TCBK,  
UMPQ,  
WABC,  
WAL,  
WCBO  
and  
WFSL

.  
Represents  
the  
median  
of  
peers  
reserves  
/  
loans  
ratio.  
Q4  
2011  
data  
non  
available  
for  
CACB.

(2)  
As  
of  
December  
31,  
2011.  
12  
5.2%  
5.0%  
4.1%  
4.0%  
4.0%  
4.1%  
3.8%  
3.2%  
3.1%  
2.8%  
2.9%  
2.7%  
2.8%  
2.9%  
2.8%

2.7%

2.5%

2.0%

3.0%

4.0%

5.0%

6.0%

Q1 10

Q2 10

Q3 10

Q4 10

Q1 11

Q2 11

Q3 11

Q4 11

Jan 12

Reserves / Loans

Peer Reserves / Loans

(1)

Reserves (\$ mm)

Net NPLs

\$59.8

\$40 -

\$51

OREO

\$35.5

General Reserves

\$9 -

\$11

Additional:

\$25 -

\$30

\$5 -

\$9

Specific Reserves

\$15.6

Specific  
Reserves

\$15.6

\$0

\$25

\$50

\$75

\$100

\$125

NPA Balance

Jan 2012

Utilization of

Existing

Reserves

Anticipated

OREO

Sales

Net NPL

Outflows

Projected NPA

Balance

Q3 2012

Contracted

as

of 1/31/2012: \$5.5

(1)

(2)

Near Term Projected Credit Resolutions

Approximately \$30 -

\$35 million of anticipated OREO sales through Q3 2012

16% is contracted for sale and scheduled to close in Q1 2012

13

Total: \$111

4.9%

Source: HomeStreet Inc.

(1) Includes \$15.6 million of chargeoffs of specific reserves existing as of January 31, 2012. Remaining chargeoffs primarily

(2) Net NPL outflows include scheduled principal payoffs, NPL upgrades, note sales and anticipated additions to NPLs.



2.50%  
3.75% -  
4.00%  
0.20% -  
0.30%  
0.20% -  
0.30%  
0.80% -  
0.90%  
2.0%  
2.5%  
3.0%  
3.5%  
4.0%

1/31/2012 NIM  
Investment of Net  
Proceeds  
Increase in yields &  
reduction in NPLs  
Change in securities /  
loan / deposit mix  
Near Term Target NIM  
Net  
Interest  
Margin  
Expansion  
Opportunities

14

(1)

Source: HomeStreet Inc.

(1)

Margin  
expansion  
opportunities  
from  
1/31/2012  
net  
interest  
margin  
are  
based  
upon  
management's  
assumptions  
of  
post  
recapitalization  
restructuring  
opportunities  
and  
will  
differ  
from  
future  
results.

Earnings Potential

Source:

HomeStreet

Inc.

(1)

These

are

not

projections

of

future

earnings,

nor

a

complete  
listing  
of  
all  
potential  
impacts  
at  
the  
proposed  
recapitalization.

Future  
results  
will  
differ  
from  
the  
opportunities  
outlined.

(2)  
NIM  
reflects  
restructured  
balance  
sheet  
for  
securities,  
loans  
and  
deposits.

(3)  
Provision  
for  
loan  
losses  
reflects  
providing  
for  
growth  
in  
loan  
portfolio  
to  
achieve  
target  
mix  
(i.e.,  
1/3  
consumer,  
commercial  
real

estate  
and  
C&I).  
(4)  
Single  
family  
gain  
on  
sale  
and  
servicing,  
as  
well  
as  
income  
from  
WMS  
adjustments  
reflect  
both  
reduction  
of  
volume  
to  
eliminate  
refinance  
activity  
and  
robust  
refinance  
"boom"  
margins  
which  
are  
consistent  
with  
Q2  
2011  
results.  
(5)  
Eliminated  
securities  
gains.  
(6)  
OREO  
expense  
adjusted  
to  
reflect  
reduction

of  
OREO  
and  
substantial  
elimination  
of  
risk.  
(7)  
FDIC  
insurance  
fees  
reflect  
elimination  
of  
Regulatory  
Order  
at  
the  
Bank.  
(8)  
Adjusted  
salaries  
and  
benefits  
to  
reflect  
a  
decrease  
in  
commissions  
related  
to  
single  
family  
refinance  
boom,  
offset  
by  
increases  
in  
salaries  
and  
benefits  
to  
achieve  
loan  
and  
deposit  
mix  
changes.

Aligned  
professional  
fees  
to  
reflect  
lower  
risk  
operating  
environment.

Marketing  
expenses  
increased  
to  
achieve  
balance  
sheet  
restructuring  
of  
customers.

(9)  
Assumes  
effective  
tax  
rate  
of  
37%.

(10)  
Noninterest  
expense  
adjusted for OREO expense. See Appendix for reconciliation of non-GAAP financial measures.

15  
Unaudited  
Quarter Ended  
Normalizing  
Pro Forma  
(\$ in millions)  
12/31/2011  
Adjustments

(1)  
Normalized  
(1)  
Net Interest Income  
(2)  
12.9  
\$  
7.1  
\$  
20.0  
\$

Provisions for Loan Losses

(3)  
0.0  
2.0  
2.0  
Gain on Sale of Mortgage Loans  
(4)  
18.8  
(6.6)  
12.2  
Mortgage Servicing  
(4)  
6.0  
0.2  
6.2  
Other Noninterest Income  
(5)  
2.6  
(0.9)  
1.7  
Operating Revenue  
40.3  
(2.2)  
38.1  
OREO-Related Expense  
(6)  
3.7  
(3.6)  
0.1  
FDIC Assessment Fees  
(7)  
1.3  
(0.9)  
0.3  
Other Noninterest Expense  
(8)  
28.9  
(6.5)  
22.5  
Total Noninterest Expense  
33.9  
(11.0)  
22.9  
Pretax Income  
6.4  
8.8  
15.3  
Taxes  
(9)  
(0.6)  
6.3



5.7

Net Income

7.0

\$

2.6

\$

9.6

\$

Net Interest Margin

(2)

2.50%

3.75%

Operating Efficiency Ratio

(10)

74.8%

56.7%

ROAA

1.2%

1.7%

ROAE

33.4%

27.0%

Recapitalized HomeStreet

Base offering structured to meet anticipated regulatory requirements

Note: The Company is not currently subject to holding company regulatory capital requirements. (1) Assumes base initial public offering of \$44.2 million, net of transaction expenses of \$6.8 million. Assumes \$9 million is retained at the holding company for working capital.

(2) Assumes \$44.2 million are downstreamed to the bank.

(2) Pro forma

tier  
1  
leverage  
calculation  
assumes  
no  
addition  
of  
net  
proceeds  
to  
average  
assets.  
(3)  
Pro  
forma  
tier  
1  
RBC  
and  
total  
RBC  
ratios  
assume  
0%  
risk  
weighting  
assigned  
to  
net  
proceeds  
for  
risk  
weighted  
assets  
calculation.  
16

Pro Forma Valuation

17

Source:

Derived

from

S-1

filings

and

HomeStreet

Inc.

(1)

Tangible

common

equity

calculated  
as  
common  
equity  
of  
\$96.0  
million  
less  
intangible  
assets  
of  
\$0.4  
million.  
See  
Appendix  
for  
reconciliation  
of  
non-GAAP  
financial  
measures.  
(2)  
Net  
proceeds  
of  
\$53.2  
mm  
is  
calculated  
using  
gross  
initial  
public  
offering  
of  
\$55.0  
mm  
plus  
\$5.0  
million  
private  
placement  
less  
assumed  
capital  
raise  
expenses  
of  
\$6.8  
mm.

(3)  
Assumes  
offering  
price  
at  
the  
midpoint  
offering  
range  
of  
\$43.00  
and  
\$45.00  
per  
share.

(4)  
Shares  
issued  
of  
1,363,636  
for  
pro  
forma  
shares  
outstanding  
of  
2,714,510.  
Of  
the  
shares  
issued,  
1,250,000  
shares  
are  
offered  
in  
the  
public  
offering  
and  
113,636  
in  
the  
private  
placement.  
Excludes  
36,681  
shares  
subject  
to

restricted  
stock  
awards  
to  
be  
issued  
to  
certain  
employees  
and  
our  
non-employee  
directors  
upon  
the  
closing  
of  
this  
offering.

#### Investment Highlights

Established and well-respected Pacific Northwest franchise

Highly profitable conforming single family mortgage origination and servicing platform

Significantly improved credit profile driven by aggressive problem asset resolution

Management's turnaround plan resulted in three consecutive quarters of profitability

Commercial banking and diversified real estate lending provides loan and funding growth opportunities

Offering designed to qualify for the replacement of the regulatory order with another form of enforcement agreement

ROE's substantially higher than peers driven by increased NIM and significant noninterest income



Established Pacific Northwest Franchise

\$2.2 billion

(1)

institution with 20

deposit branches and 20 lending

centers

(2)

Average deposits per branch of \$98

million

(1)

No brokered deposits

Largest community bank

headquartered in Seattle  
Over 35,000 demand deposit  
accounts representing 60% of total  
accounts

Improved competitive banking  
landscape in the PacNW  
HomeStreet Bank Branches (20)

Current  
HomeStreet

Loan  
Offices

(9)

(2)

Seattle

Bellevue

Tacoma

Aberdeen

Spokane

Vancouver

Portland

Salem

Honolulu

Pearl City

Hilo

Maui

H A W A I I

W A S H I N G T O N

O R E G O N

Source: HomeStreet Inc. and SNL Financial.

(1) As of January 31, 2012.

(2) HomeStreet currently has 9 lending centers and will be opening 11 additional lending centers with the addition of MetLife.

(3) As of June 30, 2011.

# of

Market

State

Branches

Rank

(3)

Share

(3)

Washington

15

13

1.58%

Oregon

2

27

0.47%

Hawaii

3

7  
1.32%  
19

Highly Profitable Mortgage Origination Franchise

70% conventional / 30% government; 70% purchase / 30% refinance

Hired a team of 140+ retail mortgage bankers in the Pacific Northwest from MetLife

Joint venture with Windermere Real Estate Services, the largest real estate brokerage company in the Pacific Northwest

2009, 2010 and 2011 mortgage originations of \$2.7, \$2.1 and \$1.7 billion

Nominal repurchase claims and losses

Source: HomeStreet Inc.

(1) Basis points on closed loan production.

20

January 2012 Mortgage Originations

FY2011 Mortgage Originations

Growing & Profitable Servicing Platform

Highly valuable SFR servicing portfolio relative to peers

High concentration of FHA/VA loans

low defaults

low coupons

Delinquencies below 1%, less than 1/3 of Fannie Mae's national average

(1)

Low weighted average coupon (4.9%) resulting in lower prepayment speeds

FY2011 net servicing income of 22 bps

Highly attractive multifamily servicing platform

Low prepayments and higher servicing fees

One of only 25 Fannie Mae DUS lenders nationwide

Servicing Portfolio (\$ mm)

21  
\$3,389  
\$3,775  
\$4,696  
\$5,821  
\$6,343  
\$6,521  
\$6,603  
\$6,650  
\$6,885  
\$6,891  
\$783  
\$793  
\$897  
\$881  
\$835  
\$843  
\$857  
\$828  
\$815  
\$832  
\$4,172  
\$4,569  
\$5,593  
\$6,702  
\$7,179  
\$7,364  
\$7,460  
\$7,477  
\$7,700  
\$7,723  
\$0  
\$2,000  
\$4,000  
\$6,000  
\$8,000  
2006  
2007  
2008  
2009  
2010  
Q1 2011  
Q2 2011  
Q3 2011

Q4 2011

Jan 2012

Single-family

Multi-family / Other

Source: S-1 filing and HomeStreet Inc.

(1) Represents serious delinquency rate (loans over 90 days delinquent).

Effective Hedging Strategy

Long position

in interest rates that offsets the short position  
of the MSRs

Hedge strategy models maximum loss to \$500,000 for a +/-  
25 bps rate change,

and \$2 million for an extreme rate increase scenario

MSR Interest Rate Shock Scenarios (\$ mm)

Source: HomeStreet Inc. As of January 31, 2012.

Note:

No  
hedging  
program  
can



effectively  
hedge  
model  
risk  
(actual  
versus  
modeled  
prepayment  
rates)  
and  
basis  
risk  
(mortgage/swap  
rates  
spread).  
22

Source: S-1 filing.  
Seasoned Management Team  
Executive / Director  
Joined  
Company  
Years in  
Industry  
Relevant Experience  
Mark K. Mason  
Director, Vice  
Chairman, President  
and CEO  
Sept  
2009

25

Seasoned banking executive with a proven track record of successfully implementing turnaround and growth strategies

Former Chairman and CEO of Fidelity Federal Bank

David E. Hooston

EVP and CFO

Aug

2009

30

Extensive turnaround, capital raising and M&A experience

Previously was Managing Partner at Granite Bay Partners;

Portfolio Manager at Belvedere Capital Partners and concurrently

served as President, CFO and COO at Placer Sierra Bancshares

and subsidiaries

Jay C. Iseman

EVP and Chief

Credit Officer

Aug

2009

20

Significant experience in troubled loan workouts, special assets and credit administration at major national banks

Previously served as Senior Vice President and Senior Portfolio

Manager of commercial special assets with Bank of America

Godfrey B. Evans

EVP, General

Counsel and CAO

Nov

2009

30

Significant experience in banking and corporate securities law, including recapitalization/ restructuring of financial institutions

Previously served as General Counsel and CAO at Fidelity

Federal Bank and corporate lawyer at Gibson, Dunn & Crutcher

23

Turnaround Progress  
Entered into C&D  
Developed plan to reduce  
classified assets, upgrade  
management, improve  
earnings and increase  
capital  
Restructured credit  
administration  
Accelerated problem asset  
resolution  
Instituted interest rate floors  
Expanded NIM

Improved asset yields

Reduced non-core funding

Restructured deposit  
products/pricing

Filed IPO

Third party loan review  
confirms valuation / reserves

Noncore  
funding

(4)

reduced

by 94%

(5)

from 9/30/2009

Achieved three consecutive  
quarters of profitability

Appointed new CEO, CFO,  
CAO

Appointed new CCO

2009

2010

2011 -

2012

Management

Changes

Management

Actions

Restructured

Board

(3)

Source:

S-1

filing

and

HomeStreet

Inc.

(1)

Represents

peak

levels

in

2009.

(2)

Represents

NIM

for

Q3

2009.

(3)  
Contingent  
upon  
the  
successful  
closing  
of  
this  
offering  
and  
regulatory  
approval.

(4)  
Noncore  
funding  
represents  
brokered  
deposits  
and  
FHLB  
borrowings.

(5)  
As  
of  
or  
for  
month  
ended  
January  
31,  
2012.

24  
Classified  
Assets  
\$761 million

(1)  
\$482 million

(1)  
0.85%

(2)  
\$364 million

\$284 million  
1.49%

\$191 million

(5)  
\$111 million

(5)  
2.50%

(5)  
NPAs

NIM

\$581  
\$761  
\$738  
\$570  
\$526  
\$546  
\$484  
\$364  
\$299  
\$276  
\$225  
\$188  
\$191  
\$180



\$380  
\$580  
\$780  
Q1  
09  
Q2  
09  
Q3  
09  
Q4  
09  
Q1  
10  
Q2  
10  
Q3  
10  
Q4  
10  
Q1  
11  
Q2  
11  
Q3  
11  
Q4  
11  
Jan  
12  
37  
38  
63  
108  
123  
122  
202  
170  
99  
103  
64  
39  
36  
278  
410  
389  
374  
327  
321  
189  
113

124  
91  
95  
77  
75  
\$314  
\$449  
\$452  
\$482  
\$450  
\$442  
\$391  
\$284  
\$223  
\$194  
\$159  
\$115  
\$111  
\$0  
\$200  
\$400  
\$600  
Q1  
09  
Q2  
09  
Q3  
09  
Q4  
09  
Q1  
10  
Q2  
10  
Q3  
10  
Q4  
10  
Q1  
11  
Q2  
11  
Q3  
11  
Q4  
11  
Jan  
12  
OREO  
Nonperforming Loans

\$959

\$171

\$0

\$250

\$500

\$750

\$1,000

Q4 2008

Jan-12

(82%)

Significant Improvement in Asset Quality

NPAs down 77% and classified assets

down 75% from 2009 peak levels

(1)

Driven by significantly reduced high

risk construction loans

Nonperforming Assets (\$ mm)

Source:

S-1 filing and HomeStreet Inc.

(1) Represents change from peak levels.

(77%)

Classified Assets (\$ mm)

(75%)

25

Construction and Land Loans (\$ mm)

Significant NPA Outflows

Eight consecutive quarters of NPA outflows totaling ~\$370 million

(1)

NPA Migration

26

Source:

HomeStreet Inc.

(1) Since Q4 2009.

(\$ in millions)

Q1 10

Q2 10

Q3 10

Q4 10

Q1 11

Q2 11  
Q3 11  
Q4 11  
Jan 12  
Beginning Balance  
482.0  
\$  
450.4  
\$  
442.2  
\$  
390.6  
\$  
283.7  
\$  
223.0  
\$  
193.6  
\$  
159.5  
\$  
115.1  
\$  
Additions to NPLs  
20.6  
83.5  
37.8  
22.3  
28.9  
14.2  
20.9  
7.3  
2.9  
Charge-Offs  
11.7  
20.6  
36.2  
14.6  
2.1  
4.7  
7.7  
10.6  
0.8  
OREO Sales  
14.8  
41.3  
21.9  
21.2  
67.0  
17.6

33.8  
26.0  
2.8  
OREO Writedowns  
(1.2)  
5.1  
7.2  
16.3  
10.6  
4.7  
8.2  
3.6  
0.6  
Principal Paydown, Payoff, Advances  
10.3  
17.6  
19.0  
10.9  
5.6  
6.0  
2.4  
3.9  
0.5  
Transferred Back to Accrual Status  
16.6  
7.1  
5.1  
66.2  
4.3  
10.6  
2.9  
7.6  
2.4  
Subtractions from NPAs  
52.2  
91.7  
89.4  
129.2  
89.6  
43.6  
55.0  
51.7  
7.1  
Net Inflows / (Outflows)  
(31.6)  
(8.2)  
(51.6)  
(106.9)  
(60.7)  
(29.4)

(34.1)

(44.4)

(4.2)

Ending Balance

450.4

\$

442.2

\$

390.6

\$

283.7

\$

223.0

\$

193.6

\$

159.5

\$

115.1

\$

110.9

\$

Growth Strategies

Organic growth opportunities driven by attractive market demographics

Job growth and housing recovery is expected to outpace the overall economy

Well educated workforce, high incomes and strong population trends

Expand commercial and consumer banking activities

Commercial: lending, cash management, insurance

Consumer: mortgage loans, deposits, investments, insurance

Expand single family mortgage banking activities

Increase retail, correspondent and internet production channels



Expand multifamily mortgage banking through the Fannie Mae DUS program  
Restart traditional portfolio lending

27

Investment Highlights

Established and well-respected Pacific Northwest franchise

Highly profitable conforming single family mortgage origination and servicing platform

Significantly improved credit profile driven by aggressive problem asset resolution

Management's turnaround plan resulted in three consecutive quarters of profitability

Commercial banking and diversified real estate lending provides loan and funding growth opportunities

Offering designed to qualify for the replacement of the regulatory order with another form of enforcement agreement

ROE's substantially higher than peers driven by increased NIM and significant noninterest income

28

Appendix

Director

Joined

Relevant Experience

David A. Ederer

Chairman (since 2009)

2004

Currently serves as Chairman of Ederer Investment Company, a private investment company as well as Director in several other local foundations

Mark K. Mason

Vice Chairman

2009

Currently serves as President & CEO of HomeStreet Inc and HomeStreet Bank; former Chairman and CEO of Fidelity Federal Bank

Scott Boggs

(1)(2)

2006

Former Corporate Controller at Microsoft Corporation and adjunct  
accounting professor  
at Seattle University Albers School of Business

Brian P. Dempsey

(2)

1996

Previously served on the Board of Directors of Golden State Bancorp and Federal Home  
Loan Bank of Seattle and was President and Chairman of University Savings Bank

Victor H. Indiek

(1)

2012

Project Manager at Quantum Partners managing FDIC receiverships and previously  
President, CEO, CFO of Freddie Mac and CFO of American Savings

Thomas E. King

(1)(2)

2010

Consultant to banks; previously CEO or COO of San Diego Community Bank, Fullerton  
Community Bank, Bank of So. Cal, CapitolBank, credit & lending officer at Sec Pac

George Kirk

(1)(2)

2007

Former President and CEO of Port Blakely Communities and President of Skinner  
Development Company and Chair of Real Estate Dept at Davis Wright Tremaine LLP

Michael J. Malone

(1)

2012

CEO of Hunters Capital, member of the Board of Directors of Expeditors International;  
previously founder, Chairman and CEO of AEI/DMX Music

Gerhardt Morrison

(2)

1986

Former Chairman of the Business Law Department at Bogle & Gates,  
a Seattle-based

law firm; previously served as trustee of the Northwest Hospital

Doug Smith

(1)

2012

President of Miller and Smith, a residential home building company

Bruce W. Williams

1994

Previously served as President and CEO of Homestreet Inc and Homestreet Bank  
Pro Forma Board of Directors

Source: S-1 filing

(1) Appointment subject to regulatory approval.

(2) Currently Director for HomeStreet Bank. Reflects date joined HomeStreet Bank's Board.

30

Loan Portfolio Characteristics

New management team has focused on reducing exposure to real estate developers and higher risk property types

Increased emphasis on business banking and multifamily mortgage lending

Q4 2011 Loan Composition

Q4 2011 CRE by Property Type

31

Source: HomeStreet Inc.

1-4 Family

\$497

(37%)

CRE -

Non

Owner

Occupied  
\$300  
(22%)  
C&I  
\$60 (4%)  
Consumer  
\$159  
(12%)  
Construction  
\$173 (13%)  
Multifamily  
\$56 (4%)  
CRE -  
Owner  
Occupied  
\$102 (8%)  
Mixed Use  
17%  
Office  
18%  
Other  
6%  
Retail  
30%  
Multifamily  
13%  
Industrial  
Warehouse  
16%

Fixed Rate

35%

Adjustable

Rate

65%

Loan Portfolio Characteristics (cont.)

Loan portfolio concentrated in the Puget Sound area, which has been less impacted by the economic downturn compared to eastern Washington

Adjustable rate loans comprise approximately 65% of the loan portfolio

Q4 2011 Loans by Geography

Q4 2011 Loan Interest Rate Mix

Source: HomeStreet Inc.

32

Puget



Sound  
68%  
Idaho  
(Boise)  
1%  
Oregon  
16%  
Hawaii  
3%  
Other  
1%  
Washington  
Other  
11%

Strong Liquidity Position

Proactively reduced brokered deposits and reliance on wholesale funding sources

Available capacity under FHLB and FRB of \$231 million and \$100 million, respectively

Substantial excess liquidity with a primary liquidity ratio of 35%

(1)

Total Sources of Liquidity (\$ mm)

Funding Sources (\$ mm)

Source: HomeStreet Inc.

(1)

Primary

liquidity

ratio

is

defined  
as  
net  
cash,  
short-term  
investments  
and  
other  
marketable  
assets  
as  
a  
percent  
of  
net  
deposits  
and  
short-term  
borrowings.

Ratio

as  
of  
December  
31,  
2011.

(2)  
Represents  
market  
value  
of  
unpledged  
securities.

33

Q4 2011

Cash

\$263.3

Unpledged Securities (2)

302.8

Loans Held for Sale

150.4

Total On-Balance Sheet Liquidity

716.5

Additional Borrowing Capacity

FHLB

231.4

FRB SF

99.9

Total Available Capacity

\$331.3

Total Direct Sources of Liquidity

\$1,047.8

Total Funding: \$2,265 million

Deposits

\$2,010

(89%)

Capital

\$86 (4%)

Borrowings

\$62 (3%)

FHLB

\$58 (2%)

Other

\$49 (2%)

Balance Sheet  
Month Ended  
Quarter Ended  
(\$ in millions)  
1/31/2012  
12/31/2011  
9/30/2011  
6/30/2011  
3/31/2011  
Cash  
202.9  
\$  
263.3  
\$

138.4

\$

108.2

\$

170.8

\$

Investments

381.3

329.0

339.5

315.7

304.4

Loans Held for Sale

123.4

150.4

226.6

121.2

82.8

Loans Held for Investment

1,350.1

1,343.6

1,413.4

1,451.9

1,562.7

Allowance for Loan Losses

(41.9)

(42.7)

(53.2)

(59.7)

(62.1)

Net Loans

1,308.2

1,300.9

1,360.2

1,392.2

1,500.6

Other Real Estate Owned

35.5

38.6

64.4

102.7

98.9

Mortgage Servicing Rights

75.7

77.3

74.1

94.3

96.0

Federal Home Loan Bank Stock

37.0

37.0  
37.0  
37.0  
37.0  
Other Assets  
80.2  
68.4  
76.6  
62.2  
52.1  
Total Assets  
2,244.2  
\$  
2,264.9  
\$  
2,316.8  
\$  
2,233.5  
\$  
2,342.6  
\$  
Deposits  
1,977.1  
\$  
2,009.8  
\$  
2,057.0  
\$  
1,993.7  
\$  
2,066.8  
\$  
Federal Home Loan Bank Borrowings  
57.9  
57.9  
67.9  
77.9  
114.5  
Other  
113.2  
110.8  
111.6  
103.6  
110.1  
Total Liabilities  
2,148.2  
2,178.5  
2,236.5  
2,175.2  
2,291.4

Equity

96.0

86.4

80.3

58.3

51.2

Total Liabilities and Equity

2,244.2

\$

2,264.9

\$

2,316.8

\$

2,233.5

\$

2,342.6

\$

Source: S-1 filing and HomeStreet Inc.

34



Income Statement & Profitability Ratios

35

Source: S-1 filing and HomeStreet Inc.

(1) Includes net MSR/hedge valuation (loss) gains of \$1.6 million, \$(189,000), \$12.2 million, \$1.3 million, \$91,000 and \$1.6 million vs. \$9.1 million in Q3 2011. (3) Operating efficiency ratio adjusted for OREO expense. See Appendix for reconciliation.

Asset Quality & Capital Adequacy

Source: S-1 filing and HomeStreet Inc.

(1) Calculation based on Bank Tier 1 capital.

36

15 Largest Nonperforming Loans

Data as of January 31, 2012

ID

Loan Type

Unpaid

Principal

Balance

Partial

Charge Offs

Net

Commitment

Net Book

Balance

Specific

Reserves

Book

Balance Net

of Specific

Reserves

TDR

Description

1

Construction/Land

Development

21,809,726

\$

-

\$

21,875,566

\$

21,809,726

\$

11,638,065

\$

10,171,661

\$

No

340 acre Community in Thurston County, WA with 124 acres zoned for residential development and 215 acres zoned for Commercial.

2

Construction/Land

Development

4,279,044

\$

-

\$

4,279,044

\$

4,279,044

\$

-

\$

4,279,044

\$

Yes

121 finished detached lots in Yakima (28), Clark (24) and Grant (69) Counties in WA.

Construction/Land

Development

2,841,025

\$

-

\$

2,841,025

\$

2,841,025

\$

-

\$

2,841,025

\$

Yes

550 residential detached lots with preliminary plat approval located in Yakima (58), Grant (475) and Clark (17) Counties in WA.

Construction/Land

Development

1,977,587

\$

(870,210)

\$

1,107,377

\$

1,107,377

\$

-

\$

1,107,377

\$

Yes

8 detached single family residences in Clark (5) and Grant (3) Counties in WA.

TOTAL

9,097,656

\$

(870,210)

\$

8,227,446

\$

8,227,446

\$

-

\$

8,227,446

\$

3

Construction/ Land

Development

\$ 4,399,850

-

\$

4,399,850

\$

4,399,850

\$

2,046,690

\$

2,353,160

\$

No

63 Completed attached lots including four with foundations and three partially Completed townhomes (averaging 1,657sqft) located in Clark County, WA.

Construction/Land

Development

\$ 412,398

-

\$

467,673

\$

412,398

\$

-

\$

412,398

\$

No

Three substantially completed single family townhomes averaging 1,740sqft located in Clark County, WA.

Consumer

\$ 165,180

(50,680)

\$

128,820

\$

114,500

\$

-

\$

114,500

\$

No

One single family residence in Clark County, WA.

TOTAL

4,977,429

\$

(50,680)

\$

4,996,343

\$

4,926,748

\$

2,046,690

\$

2,880,058

\$

4

Construction/Land

Development

6,605,737

\$

(2,075,278)

\$

4,539,996

\$

4,530,459

\$

408,600

\$

4,121,859

\$

Yes

17 single family residences in King County, WA.

5

Construction/Land

Development

9,722,371

\$

(5,977,383)

\$

3,744,988

\$

3,744,988

\$

-

\$

3,744,988

\$

Yes

65 residential finished lots, 7.72 acres partially improved land, and 67.45 acres of raw land zoned for 338 residential lots in Lane County, OR.

6

Commercial Real Estate

3,668,539

\$

-

\$

3,668,539

\$

3,668,539

\$

-

\$

3,668,539

\$

No

Five gas stations in King County, WA. Received outside legal counsel's recommendations on collection strategies which include appointment of a general receiver, with likely Chapter 11 filings by all 5 debtors, costs of collection etc. Final strategy

pen

37



15 Largest Nonperforming Loans (cont.)

Data as of January 31, 2012

ID

Loan Type

Unpaid

Principal

Balance

Partial

Charge Offs

Net

Commitment

Net Book

Balance

Specific

Reserves  
Book  
Balance Net  
of Specific  
Reserves

TDR  
Description

7  
Construction/Land  
Development

2,817,054  
\$

-  
\$  
2,817,054

\$  
2,817,054  
\$

-  
\$  
2,817,054

\$  
No  
One 41,431sqft single-tenant retail building  
located in Pierce County, WA.

8  
Commercial Real Estate

2,196,594  
\$

-  
\$  
2,196,594

\$  
2,196,594  
\$

-  
\$  
2,196,594

\$  
No  
One gas station in Clackamas County, OR.  
Borrower is current with respect to loan payments  
and real estate taxes and compliance with  
contractual DSCR. Guarantor's global DSCR  
remains less than 1.0 to 1.

9  
Commercial Real Estate

1,828,044  
\$

-

\$  
1,828,044

\$  
1,828,044

\$  
-

\$  
1,828,044

\$  
No

Four industrial/warehouse buildings totaling  
33,617sqft in King County, WA.

10  
1-4 Family

1,296,906  
\$

-  
\$

1,296,906  
\$

1,296,906  
\$

-  
\$

1,296,906  
\$

No

One owner occupied single family residence in  
Clackamas County, OR with current value of  
\$1.8MM.

11  
Construction/Land  
Development

1,500,000  
\$

(442,500)  
\$

1,057,500  
\$

1,057,500  
\$

319,610  
\$

737,890  
\$

Yes

Subordinated deed of trust secured by  
Borrower's 5,600sqft single family personal  
residence and 36,202sqft office building, both  
located in King County, WA.

12  
Commercial Business

116,826

\$

-

\$

116,826

\$

116,826

\$

-

\$

116,826

\$

No

One furniture store in King County, WA. Debtor has sold the real property for \$1.6MM with closing set for no later than 03/05/2012. SAG LO has confirmed the buyer's loan is approved and accepted (copy of commitment letter).

Forbearance agreement in nego

Commercial Real Estate

901,350

\$

-

\$

901,350

\$

901,350

\$

-

\$

901,350

\$

No

One furniture store in King County, WA. See above.

TOTAL

1,018,175

\$

-

\$

1,018,175

\$

1,018,175

\$

-

\$

1,018,175

\$

GRAND TOTAL

\$ 66,538,231

\$ (9,416,052)

\$ 57,267,151

\$ 57,122,180

\$ 14,412,965

\$ 42,709,215

38

10 Largest OREO Properties

Data as of January 31, 2012

ID

Description

Location

Property Type

Sales Status

Original Loan

Balance

LTD Charge-

Offs

Amount

Transferred to

OREO

OREO

Writedowns

Carrying Value  
of OREO

1

40.73 acres of commercially zoned land

Thurston County, WA

Commercial Real Estate

Unsold

\$9,286,525

(\$2,216,137)

\$7,070,388

(\$3,660)

\$7,066,728

2

Excess raw land planned for 344  
residential lots, 298 multi-family units; and  
two finished commercial tracts totaling

Thurston County, WA

Construction/ Land

Development

Unsold

\$9,447,348

\$530,303

\$9,977,651

(\$6,131,801)

\$3,845,850

3

Raw land entitlements for 53 residential lots  
and 14 multi-family pads supporting 451  
units

Pierce County, WA

Construction/ Land

Development

Unsold

\$6,212,938

(\$1,680,358)

\$4,532,580

(\$993,555)

\$3,539,025

4

71 residential detached lots and 29  
residential attached lots

Thurston County, WA

Construction/ Land

Development

Sold; feasibility through

02/26/12, Closing 03/15/12.

\$4,000,000

\$0

\$4,000,000  
(\$2,387,448)  
\$1,612,552

5  
68 residential finished lots  
Kitsap County, WA  
Construction/ Land  
Development

Unsold  
\$3,515,177  
(\$996,178)  
\$2,518,999  
(\$1,186,397)  
\$1,332,602

6  
35 acres of raw land with partial  
entitlements for 333 future lots

Kitsap County, WA  
Construction/ Land  
Development

Unsold  
\$4,461,390  
(\$997,822)  
\$3,463,568  
(\$2,210,276)  
\$1,253,292

7  
67 residential finished lots  
Pierce County, WA  
Construction/ Land  
Development

Sold; set to close on or  
before 02/28/12.

\$7,782,200  
(\$6,200,064)  
\$1,582,136  
(\$452,278)  
\$1,129,857

8  
25.62 acres of raw land with approvals for  
64 attached lots and 49 detached  
residential lots.

Thurston County, WA  
Construction/ Land  
Development

Unsold  
\$1,637,299  
\$0  
\$1,637,299  
(\$856,574)



\$780,725

9

18.69 acres of raw land with approval for

84 single family lots.

King County, WA

Construction/ Land

Development

Sold; feasibility ends

02/09/12 and set to close on

or before 04/01/12.

\$4,150,000

(\$2,413,000)

\$1,737,000

(\$1,010,625)

\$726,375

10

1.0 acre containing 99-unit mini storage

facility, plus 0.5 acres additional land

Pierce County, WA

Construction/ Land

Development

Unsold

\$616,565

\$227,362

\$843,927

(\$139,095)

\$704,832

\$51,109,443

(\$13,745,894)

\$37,363,549

(\$15,371,709)

\$21,991,840

Sales Status Summary

TOTAL

Sold

16%

3,468,784

\$

Unsold

84%

18,523,055

\$

GRAND TOTAL

Source: HomeStreet Inc.

39

Non-GAAP Reconciliation

40

Source: S-1 filing and HomeStreet Inc.

Tangible Common Equity

Month

Ended

(\$ in millions)

1/31/2012

Common Equity

\$96.0

Less: Intangible Assets

0.4

Tangible Common Equity

\$95.6

Pre-Tax, Pre-Provision Earnings

Month

Ended

Quarter Ended

(\$ in millions)

1/31/2012

12/31/2011

9/30/2011

6/30/2011

Income / (loss) before income taxes

\$8.2

\$6.4

\$15.6

\$1.3

Add: Provision for loan losses

0.0

0.0

1.0

2.3

Add: OREO expenses

0.7

3.7

9.1

5.7

Add: IPO-related expense

0.0

2.5

0.0

0.0

Pre-tax, pre-provision earnings

8.9

12.6

25.7

9.3

Efficiency Ratio

Month

Ended

Quarter Ended

(\$ in millions)

1/31/2012

12/31/2011

9/30/2011

6/30/2011

3/31/2011

12/31/2009

Noninterest expense

\$8.3

\$33.9

\$32.6

\$27.3

\$33.5  
 \$29.2  
 Less: OREO expense  
 0.7  
 3.7  
 9.1  
 5.7  
 11.8  
 4.2  
 Adjusted noninterest expense  
 \$7.6  
 \$30.2  
 \$23.5  
 \$21.6  
 \$21.7  
 \$25.0  
 Net interest income before provisions  
 4.2  
 12.9  
 12.0  
 11.9  
 11.6  
 6.4  
 Noninterest income  
 12.3  
 27.5  
 37.3  
 18.9  
 14.5  
 9.6  
 Operating Revenue  
 16.5  
 40.4  
 49.3  
 30.8  
 26.1  
 16.0  
 Operating efficiency ratio  
 46.29%  
 74.78%  
 47.74%  
 70.05%  
 83.31%  
 156.37%  
 Efficiency ratio  
 50.24%  
 84.08%  
 66.25%  
 88.43%  
 128.42%

182.62%