

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-35424

HOMESTREET, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

91-0186600
(I.R.S. Employer
Identification Number)

601 Union Street, Ste. 2000
Seattle, WA 98101

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (206) 623-3050

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, no par value	HMST	Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of voting common stock held by non-affiliates was approximately \$207 million based on a closing price of \$11.40 per share of common stock on the Nasdaq Global Select Market on such date. Shares of common stock held by each executive officer and director and by each person known to the Company who beneficially owns more than 10% of the outstanding common stock have been excluded in that such persons may under certain circumstances be deemed to be affiliates.

The number of outstanding shares of the registrant's common stock as of March 3, 2025 was 18,920,808.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this Report, to the extent not set forth herein, will be incorporated by reference from the registrant's definitive proxy statement relating to the annual meeting of the shareholders to be held in 2025, to be filed with the Securities and Exchange Commission within 120 days of the end of the fiscal year to which this Report relates. If a definitive proxy statement of the registrant is not filed within such period, the registrant will instead file such information on an amendment to this Report within such 120 days of the end of the registrant's fiscal year to which this Report relates.

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PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Form 10-K") and the documents incorporated by reference contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Generally, forward-looking statements include the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would" and similar expressions (or the negative of these terms) and include statements relating to achievement of profitability and timing of such achievement and expectations regarding reductions in short-term interest rates and their impact on the Company.

Forward-looking statements are based on the Company's expectations at the time such statements are made and speak only as of the date made. The Company does not assume any obligation or undertake to update any forward-looking statements after the date of this release as a result of new information, future events or developments, except as required by federal securities or other applicable laws, although the Company may do so from time to time. The Company does not endorse any projections regarding future performance that may be made by third parties. For all forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act.

We caution readers that actual results may differ materially from those expressed in or implied by the Company's forward-looking statements. Rather, more important factors could affect the Company's future results, including but not limited to the following: (1) changes in the interest rate environment and in expectation of reduction in short-term interest rates; (2) changes in the U.S. and global economies, including business disruptions, reductions in employment, inflationary pressures and an increase in business failures, specifically among our customers; (3) our ability to control operating costs and expenses; (4) our ability to attract and retain key members of our senior management team; (5) changes in deposit flows, loan demand or real estate values may adversely affect our business; (6) there may be increases in competitive pressure among financial institutions or from non-financial institutions; (7) our ability to obtain regulatory approvals or non-objection to take various capital actions, including the payment of dividends by us or the Bank; (8) the timing and occurrence or non-occurrence of events may be subject to circumstances beyond our control; (9) our credit quality and the effect of credit quality on our credit losses expense and allowance for credit losses and impact the adequacy of our allowance for credit losses; (10) changes in accounting principles, policies or guidelines may cause our financial condition to be perceived or interpreted differently; (11) legislative or regulatory changes that may adversely affect our business or financial condition, including, without limitation, changes in corporate and/or individual income tax laws and policies, changes in privacy laws, and changes in regulatory capital or other rules, and the availability of resources to address or respond to such changes; (12) general economic conditions, either nationally or locally in some or all areas in which we conduct business, or conditions in the securities markets or banking industry, may be less favorable than what we currently anticipate; (13) challenges our customers may face in meeting current underwriting standards may adversely impact all or a substantial portion of our rate-lock loan activity we recognize; (14) technological changes may be more difficult or more expensive than what we anticipate; (15) a failure in or breach of our operational or security systems or information technology infrastructure, or those of our third-party providers and vendors, including due to cyber-attacks; (16) success or consummation of new business initiatives may be more difficult or expensive than what we anticipate; (17) staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges; and (18) litigation, investigations or other matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than what we anticipate. We strongly recommend readers review those disclosures in conjunction with the discussions herein. A discussion of the factors, risks and uncertainties that could affect our financial results, business goals and operational and financial objectives discussed in our releases, public statements and/or filings with the Securities and Exchange Commission ("SEC") is contained in Item 1A. "Risk Factors" of this Form 10-K. We strongly recommend readers review those disclosures in conjunction with the discussions herein.

All future written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. New risks and uncertainties arise from time to time, and factors that the Company currently deems immaterial may become material, and it is impossible for the Company to predict these events or how they may affect the Company.

ITEM 1. BUSINESS

Unless we state otherwise or the context otherwise requires, references in this Form 10-K to "we," "our," and "us" refer to HomeStreet, Inc., a Washington corporation ("HomeStreet," or the "Company,") and its consolidated subsidiary, HomeStreet Bank (the "Bank").

Overview

We are a diversified financial services company with offices in Washington, Oregon, California, Hawaii, Utah and Idaho serving customers throughout the western United States. We were founded in 1921 and are headquartered in Seattle, Washington. We provide commercial banking products and services to small and medium sized businesses, real estate investors and professional firms and consumer banking products and services to individuals. As of December 31, 2024, we had \$8.1 billion in total assets, \$6.2 billion of loans and \$6.4 billion of deposits.

With the exception of the updates provided below, the information required under Part I, Item 1. – "Business" is incorporated by reference to Part I, Item 1, "Business" in our [Annual Report on Form 10-K](#) for the year ended December 31, 2023.

Regulation and Supervision of HomeStreet Bank

Financial Privacy and Cybersecurity

Under the Federal Right to Privacy Act of 1978, which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records, financial institutions are required to disclose their policies for collecting and protecting confidential information. Consumers generally may prevent financial institutions from sharing personal financial information with nonaffiliated third parties except for third parties that market the institutions' own products and services. Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to consumers.

The federal banking regulators regularly issue guidance regarding cybersecurity intended to enhance cyber risk management standards among financial institutions. A financial institution is expected to establish multiple lines of defense and to ensure their risk management processes address the risk posed by potential threats to the institution. A financial institution's management is expected to maintain sufficient processes to effectively respond and recover the institution's operations after a cyberattack. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations if a critical service provider of the institution falls victim to this type of cyberattack. The Bank has adopted an information security program that has been approved by its board of directors and reviewed by its regulators.

In July 2023, the SEC issued a final rule that requires registrants, such as the Company, to (i) report material cybersecurity incidents on Form 8-K within four business days of their being deemed material, (ii) disclose cybersecurity policies and procedures and governance practices, including at the board and management levels, in Form 10-K, and (iii) present the disclosures in inline XBRL.

Human Capital Management

Employee Headcount

As of December 31, 2024, the Company employed 787 employees across our geographic footprint, 94% of which are classified as full-time. Our employee turnover rate was 21% during the year ended December 31, 2024.

Company Culture

As a financial institution, HomeStreet Bank occupies a position of trust with its shareholders, in the community, among its customers and employees, and with its regulators. We have earned that trust by developing a reputation for fairness, honesty, integrity and community service since the Company's inception in 1921. Our reputation is directly tied to the individual decisions, actions, and sense of business ethics of our employees. A high level of trust gives us a competitive advantage in an environment that is increasingly sensitive to business ethics. Employees and customers are attracted to work for, and do business with, a company that prides itself on maintaining the highest degree of ethical standards. For all of these reasons, a commitment to fairness, honesty, integrity and community service are core values of the Company.

As part of this commitment to our core values, HomeStreet identified five key values built on specific behaviors that bring our values to life – a focus on customers, collaboration as one team, delivering excellence, embodying a spirit to serve the communities that we are in, and being engaged in our work in a manner that can be described as “all in.” Further, HomeStreet management is inclusive of all employees from all backgrounds and employees feel a sense of belonging when working for the Company.

Inclusion and Belonging

HomeStreet is an equal opportunity employer where we strive to hire the best talent. By recruiting employees who are representative of the communities we serve, we are better able to serve our customers and understand their financial services' needs and goals.

We have talented employees who bring unique differences, experiences, and capabilities in support of our mission and in alignment with our values. Our culture embraces individuality, provides fair treatment, and creates opportunities for employees to develop their careers, to be included in teams, and to be a part of broader and more strategic initiatives.

By treating our employees with appreciation for their individuality and with respect for their service, our employees demonstrate increased job satisfaction, a higher level of trust in leadership, and an increased sense of belonging within the Company. Our employees find increased job satisfaction, which we find translates to increased performance and a greater capacity for customer service.

Our culture also promotes policies and practices to combat harassment, discrimination, retaliation, or disrespectful or other unprofessional conduct based on an individual's identity, including sex, gender, sexual orientation, race, religion, color, ancestry, physical disability, mental disability, age, marital status and more.

Compensation of Employees

As part of our goal of providing high-quality banking and financial services to our customers while creating a positive impact in the local communities in which we do business, we designed our compensation program with the intention of attracting and retaining highly qualified employees. We use a mix of base salary, cash-based short-term incentive plans and defined contributions to the 401(k) plan for participating employees to incentivize our employees and also provide long-term incentive compensation, preferring equity-based where available, for key employees. Employee performance is considered, evaluated and discussed through regular performance check-ins between manager and direct report. All our employees are eligible to receive a Company match on defined contributions to their 401(k) retirement plan.

We have a variety of group benefit programs designed to provide our employees with health and wellness benefits, financial benefits in the event of planned or unplanned expenses, or losses relating to illness, disability, death, to help plan for retirement, and deal with job-related or personal problems.

Employee Training and Development

As part of our employee development program, we provide a variety of training and educational opportunities to help our employees stay current on regulatory compliance issues and develop their professional skills. In addition to third party training and education opportunities, we use an online learning management system to create, assign, and track compliance and professional development learning programs across many topical areas such as Banking, mortgage and regulatory education, technology training, public speaking and proactive communication, development of strong customer relationship and customer service skills.

Employee Community Involvement

HomeStreet is committed to our communities, and as part of that commitment we support the active involvement of our employees in supporting their communities. Employees are given time off to volunteer for community organizations, and where employees make a substantial commitment of time to a particular organization, HomeStreet offers an additional financial contribution to those organizations in recognition of the commitment of our employees. We also create active partnerships with

hundreds of local organizations, and our employees provide leadership, educational support, hands-on service, expertise, and financial support to those organizations. We focus primarily on organizations within the scope of the Community Reinvestment Act ("CRA") – those that provide support for housing, basic needs, and economic development for those of low and moderate income. We also give time off for employees donating blood. Our senior management helps to educate our employees on the importance of our community responsibility focus and strategies.

Locations

We operate 56 full service bank branches in Washington, in Northern and Southern California, in the Portland, Oregon area and in Hawaii, as well as three primary stand-alone commercial lending centers located in Southern California, Idaho and Utah.

Where You Can Obtain Additional Information

We file annual, quarterly, current and other reports with the Securities and Exchange Commission (the "SEC"). We make available free of charge on or through our website <http://www.homestreet.com> all of these reports (and all amendments thereto), as soon as reasonably practicable after we file these materials with the SEC. Please note that the contents of our website do not constitute a part of our reports, and those contents are not incorporated by reference into this Form 10-K or any of our other securities filings. The SEC's website, www.sec.gov, contains reports, proxy and information statements, and other information that we file or furnish electronically with the SEC.

ITEM 1A RISK FACTORS

This Form 10-K contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Annual Report.

Risk Related to Market Factors

Changes to monetary policy by the Federal Reserve have and could further adversely impact our results of operations.

The Federal Reserve is responsible for regulating the supply of money in the United States, including open market operations used to stabilize prices in times of economic stress, as well as setting monetary policies. These activities strongly influence market interest rates which impact our costs of funds for lending and investing, our rate of return on certain investments, our hedge effectiveness for mortgage servicing and our mortgage origination pipeline, all of which may adversely impact our liquidity, results of operations, financial condition and capital position.

Changes in market factors beyond our control, including fluctuation in interest rates, have and could further adversely impact our profitability and financial results.

Market factors outside of our control, including changing interest rate environments, regulatory decisions, increased competition, changes in the yield curve, consumer confidence, rates of unemployment and other forces of market volatility, can have a significant impact on our results of operations, financial condition and capital positions.

Our earnings are dependent on the difference between the interest earned on loans and investments and the interest paid on deposits and borrowings. Changes in interest rates impact the rates earned on loans and investment securities and the rates paid on deposits and borrowings and may negatively impact our ability to attract deposits, make loans, and achieve satisfactory interest rate spreads. In addition, changes to market interest rates may impact the demand for loans, levels of deposits and investments and the credit quality of existing loans. These rate changes have and may further adversely impact our liquidity, results of operations, financial condition and capital position.

The rate of prepayment of loans, which is impacted by changes in interest rates and general economic conditions, among other things, impacts the value of our mortgage servicing rights ("MSRs") and loans held for sale ("LHFS"). We actively hedge this risk with financial derivative instruments to mitigate losses, but changes in interest rates can be difficult to predict and changes in our hedging instruments may not correlate with changes in the values of our MSRs and LHFS.

In addition to overall fluctuations in interest rates, asymmetrical changes in interest rates, for example a greater increase in short term rates than in long term rates, could adversely impact our net interest income because our liabilities tend to be more sensitive to short term rates while some of our assets tend to be more sensitive to long term rates. In addition, it may take longer for our assets to reprice to adjust to a new rate environment because fixed rate loans do not fluctuate with interest rate changes and adjustable rate loans often have a specified initial fixed rate period before reset. As a result, a flattening or an inversion of the yield curve is likely to have a negative impact on our net interest income.

Our securities portfolio also includes securities whose value is sensitive to interest rate fluctuations. The unrealized gains or losses in our available-for-sale portfolio are reported as a separate component of shareholders' equity until realized upon sale. Interest rate fluctuations may impact the value of these securities and as a result, shareholders' equity, and may cause material fluctuations from quarter to quarter. Failure to hold our securities until maturity or until market conditions are favorable for a sale could adversely affect our liquidity, results of operations, financial condition and capital position.

Adverse economic and business conditions, including inflation, could negatively impact our business and profitability.

Our business and operations are sensitive to business and economic conditions globally and domestically. Adverse economic and business conditions in the U.S. generally, and in our market areas, in particular, could affect our borrowers' ability to repay their loans and adversely affect our results of operations and financial condition. Unfavorable or uncertain economic and market conditions can be caused by changes in trade policies by the U.S. or other countries, such as tariffs or retaliatory tariffs as those proposed by the current U.S. Administration, declines in economic growth, business activity or investor or business confidence; limitations on the availability or increases in the cost of credit and capital; increases in, or prolonged periods of, inflation or a combination of these or other factors.

Prolonged periods of inflation may impact our profitability by negatively impacting our fixed costs and expenses, including increasing funding costs and expenses related to talent acquisition and retention, and negatively impacting the demand for our products and services. Additionally, inflation may lead to a decrease in consumer and clients purchasing power and negatively affect the need or demand for our products and services. If significant inflation continues, our business could be negatively affected by, among other things, increased default rates leading to credit losses.

The financial services industry is highly competitive, and as a result, our business, results of operations, financial condition and capital position may be adversely affected.

We face pricing competition for loans and deposits, both in pricing and products, as well as in customer service and convenience. Our most direct competition comes from other banks, credit unions, mortgage banking companies and finance companies. Competition has also come from companies that rely heavily on technology to provide financial services, are moving to provide cryptocurrency products and offerings, and often target a younger customer demographic. The significant competition in attracting and retaining deposits and making loans, as well as in providing other financial services, throughout our market area may impact future earnings and growth. Our success depends, in part, on our ability to adapt products and services to evolving industry standards and customer preferences and trends and provide consistent customer service while keeping costs in line. We sometimes experience increasing pressure to provide products and services at lower prices, which could reduce net interest income and noninterest income from fee-based products and services. New technology-driven products and services are often introduced and adopted, including innovative ways that customers can make payments, access products and manage accounts. We could be required to make substantial capital expenditures to modify or adapt existing products and services or develop new products and services. We may not be successful in introducing new products and services or those new products may not achieve market acceptance. In addition, advances in technology such as artificial intelligence products and services, telephone, text and online banking, e-commerce and self-service automatic teller machines and other equipment, as well as changing customer preferences to access our products and services through digital channels, could decrease the value of our branch network and other assets. As a result of these competitive pressures, our business, financial condition, results of operations and capital position may be adversely affected.

To support our growth, we may need to rely on funding sources in addition to growth in deposits and such funding sources may not be adequate or may be more costly.

We must maintain sufficient funds to respond to the needs of depositors and borrowers. As a part of our liquidity management, we use a number of funding sources in addition to deposit growth and repayments and maturities of loans and investments, including Federal Home Loan Bank advances, borrowings from the Federal Reserve, proceeds from the sale of loans, federal funds purchased, brokered certificates of deposit and issuance of equity or debt securities. Adverse operating results or changes in industry conditions could lead to difficulty or an inability to access these funding sources and could make our existing funds

more volatile. Our financial flexibility may be materially constrained if we are unable to maintain our access to funding or if adequate financing is not available to accommodate future growth at acceptable interest rates. When interest rates change, the cost of our funding may change at a different rate than our interest income, which may have a negative impact on our net interest income and, in turn, our results of operations, financial condition and capital position. If we are required to rely more heavily on more expensive funding sources to support future growth, our revenues may not increase proportionately to cover our costs. In that case, our results of operations, financial condition and capital position would be adversely affected. Further, the volatility inherent in some of these funding sources, particularly brokered deposits, may increase our exposure to liquidity risk.

Risks Related to Operations

Our employees' hybrid-remote work schedules may create failure or circumvention of our controls and procedures, including safeguarding our confidential information.

Many of our employees work from home in a hybrid-remote work schedule. We face risks associated with having a significant portion of our employees working from home as we may have less oversight over certain internal controls and the confidentiality requirements of our compliance and contractual obligations are more challenging to meet as confidential information is being accessed from a wider range of locations and there is more opportunity for inadvertent disclosure or malicious interception. Many of our vendors also allow their workforce to work from home, which create similar issues if our confidential information is being accessed by employees of those vendors in connection with their performance of services for us. While we have not identified any significant concerns to date with our internal controls, compliance obligations or confidentiality requirements, the change in work environment, team dynamics and job responsibilities for us and our vendors could increase our risk of failure in these areas, which could have a negative impact on our financial condition and results of operations and heightened, compliance, operational and reputational risks.

We rely on third party purchasers to buy our loans in the secondary market, and changes to their policies and practices may significantly impact our financial results.

We originate a substantial portion of our single family mortgage loans for sale to third party investors, including government-sponsored enterprises (“GSEs”) such as Fannie Mae, Freddie Mac and Ginnie Mae. Changes in the types of loans purchased by these GSEs or the program requirements for those entities could adversely impact our ability to sell certain of the loans we originate for sale, leaving us unable to find a buyer on similar terms. Similarly, changes in the fee structures by any of our third party loan purchasers, including the GSEs, may increase our costs of doing business, the cost of loans to our customers, and the cost of selling loans to third party loan purchasers, all of which could in turn decrease our margin and negatively impact our profitability. In addition, significant changes in the underwriting criteria of third party loan purchasers could increase our costs or decrease our ability to sell into the secondary markets. Any of these changes can have a negative impact on our liquidity, financial condition, results of operations and capital position.

We are bound by representations or warranties we make to third party purchasers of our loans or MSRMs and may be liable for certain costs and damages if those representations are breached.

We make certain representations and warranties to third party purchasers of our loans, including GSEs, about the loans and the manner in which they were originated, including adherence to strict origination guidelines for loans originated for sale to GSEs. Our sale agreements generally require us to either repurchase loans if we have breached any of these representations or warranties, which may result in recording a loss and/or bearing any subsequent loss on the loan, and/or pay monetary penalties. We may not be able to recover our losses from a borrower or other third party in the event of such a breach of representation or warranty due to a lack of remedies or lack of financial resources of the borrower, and we may be required to bear the full amount of the related loss.

We also originate, purchase, sell and service loans insured by the Federal Housing Administration (“FHA”) and U.S. Department of Housing and Urban Development (“HUD”) or guaranteed by the U.S. Department of Veterans Affairs (“VA”), and we certify that such loans have met their requirements and guidelines. We are subject to audits of our processes, procedures and documentation of such loans, and any violations of the guidelines can result in monetary penalties, which could be significant if there are systemic violations, as well as indemnification requirements or restrictions on participation in the program.

If we experience increased repurchase and indemnity demands on loans that we have sold or that we sell from our portfolios in the future, or if we are assessed significant penalties for violations of origination guidelines, our liquidity, financial condition, results of operations and capital position may be adversely affected.

A portion of our revenue is derived from residential mortgage lending which is a market sector that experiences significant volatility.

Residential mortgage lending is subject to substantial volatility due to changes in interest rates, a significant lack of housing inventory in our principal markets, and other market forces beyond our control. Increases in interest rates have and in the future may materially and adversely affect our future loan origination volume and margins. During 2023, primarily as a result of the significant increase in interest rates, our mortgage origination volume decreased by 42% when compared to 2022. Decreases in the availability of housing inventory may reduce demand and adversely impact our future loan origination volume. Decreases in the value of the collateral securing our outstanding loans may increase rates of borrower default which would adversely affect our financial condition, results of operations and capital position.

Our capital management strategy may impact the value of our common stock and could negatively impact our ability to maintain a well-capitalized position.

While we historically have maintained capital ratios at a level higher than the regulatory minimums to be “well-capitalized”, our capital ratios in the future may decrease due to losses, economic changes, utilization of capital to take advantage of growth or investment opportunities, or the return of additional capital to our shareholders. In the event the quality of our assets or our economic position were to deteriorate significantly, lower capital ratios may require us to raise additional capital in the future in order to remain compliant with capital standards. We may not be able to raise such additional capital at the time when we need it, or on terms that are acceptable to us, especially if capital markets are especially constrained, if our financial performance weakens, or if we need to do so at a time when many other financial institutions are competing for capital from investors in response to changing economic conditions. An inability to raise additional capital on acceptable terms when needed could have a material adverse effect on our business, results of operations and capital position. In addition, any capital raising alternatives could dilute the value of our outstanding common stock held by our existing shareholders and may adversely affect the market price of our common stock.

HomeStreet, Inc. primarily relies on dividends from the Bank, which may be limited by applicable laws and regulations.

HomeStreet, Inc. is a separate legal entity from the Bank, which is the primary source of funds available to HomeStreet Inc. to service its debt, fund its operations, pay dividends to shareholders, repurchase shares and otherwise satisfy its obligations. The availability of dividends from the Bank is limited by various statutes and regulations, capital rules regarding requirements to maintain a “well capitalized” ratio at the Bank, as well as by our policy of retaining a significant portion of our earnings to support the Bank’s operations. For additional information on these restrictions, see “Item 1 Business” in this 10-K. If the Bank cannot pay dividends to HomeStreet Inc., HomeStreet, Inc. may be limited in its ability to service its debt, fund its operations, repurchase shares and pay dividends to its shareholders.

Our business is geographically confined to certain metropolitan areas of the Western United States, and events and conditions that disproportionately affect those areas may pose a more pronounced risk for our business.

Although we presently have retail deposit branches in four states, with lending offices in these states and two others, a substantial majority of our revenues are derived from operations in the Puget Sound region of Washington, the Portland, Oregon metropolitan area, and the Los Angeles, Orange County, Riverside and San Diego metropolitan areas in Southern California. All of our markets are located in the Western United States. Each of our primary markets is subject to various types of natural disasters, including earthquakes, wildfires, volcanic eruptions, mudslides and floods, and many have experienced disproportionately significant economic volatility in the past, as well as more recent local political unrest and calls to action, including calls for rent disruption, when compared to other parts of the United States. Economic events, political unrest or natural disasters that affect the Western United States and our primary markets in that region may have an unusually pronounced impact on our business. Because our operations are not more geographically diversified, we may lack the ability to mitigate those impacts from operations in other regions of the United States.

The significant concentration of real estate secured loans in our portfolio has had a negative impact on our asset quality and profitability in the past and it may have such impact in the future.

A substantial portion of our loans are secured by real property, including a portfolio of commercial real estate (“CRE”) loans. Our real estate secured lending is generally sensitive to national, regional and local economic conditions, making loss levels difficult to predict. Declines in real estate sales and prices, significant increases in interest rates, unforeseen natural disasters and a decline in prevailing economic conditions may result in higher than expected loan delinquencies, foreclosures, problem loans, other real estate owned (“OREO”), net charge-offs and provisions for credit and OREO losses. If real estate market values decline significantly, as they did in the 2008 to 2011 recession, the collateral for our loans may provide less security and reduce our ability to recover the principal, interest and costs due on defaulted loans. Such declines may have a greater effect on our earnings and capital than on the earnings and capital of financial institutions whose loan portfolios are more diversified, and as a result, we have faced and we could face in the future reduced liquidity, constraints on capital resources, increased obligations to investors to whom we sell mortgage loans, declining income on mortgage servicing fees and a related decrease in the value of MSRs, and declining values on certain securities we hold in our investment portfolio.

Deficiencies in our internal controls over financial reporting or enterprise risk management framework may result in ineffective mitigation of risk or an inability to identify and accurately report our financial results.

Our internal controls over financial reporting are intended to ensure we maintain accurate records, promote the accurate and timely reporting of our financial information, maintain adequate control over our assets, and prevent and detect unauthorized acquisition, use or disposition of our assets. Effective internal and disclosure controls are necessary for us to provide reliable financial reports, effectively prevent fraud, and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results may be harmed. In addition to our internal controls, we use an enterprise risk management framework in an effort to achieve an appropriate balance between risk and return, with established processes and procedures intended to identify, measure, monitor, report, analyze and control our primary risks, including liquidity risk, credit risk, price risk, interest rate risk, operational risk, including cybersecurity risks, legal and compliance risk, strategic risk and reputational risk. We also maintain a compliance program to identify, measure, assess and report on our adherence to applicable laws, policies and procedures.

Our controls and programs may not effectively mitigate all risk and limit losses in our business. In addition, as we make strategic shifts in our business, we implement new systems and processes. If our change management processes are not sound and adequate resources are not deployed to support these implementations and changes, we may experience additional internal control deficiencies that could expose the Company to operating losses or cause us to fail to appropriately anticipate or identify new risks related to such shifts in the business. Any failure to maintain effective controls or timely implement any necessary improvement of our internal and disclosure controls in the future could create losses, cause us to incur additional costs or fail to meet our reporting obligations. Failing to maintain an effective risk management framework or compliance program could also expose us to losses, adverse impacts to our financial position, results of operations and capital position, or regulatory criticism or restrictions.

We use a variety of estimates in our accounting processes which may prove to be imprecise and result in significant changes in valuation and inaccurate financial reporting.

We use a variety of estimates in our accounting policies and methods, including complex financial models designed to value certain of our assets and liabilities, including our allowance for credit losses and MSRs. These models are complex and use specific judgment-based assumptions about the effect of matters that are inherently uncertain. Different assumptions in these models could result in significant changes in valuation, which in turn could affect earnings or result in significant changes in the recorded amount of assets and liabilities reported on the balance sheet. The assumptions used may be impacted by numerous factors, including economic conditions, consumer behavior, changes in interest rates and changes in collateral values. A failure to make appropriate assumptions in these models could have a negative impact on our liquidity, financial position, results of operations and capital position.

We are subject to extensive and complex regulations which are costly to comply with and may subject us to significant penalties for noncompliance.

Our operations are subject to extensive regulation by federal, state and local governmental authorities, including the Federal Deposit Insurance Corporation (the “FDIC”), the Washington Department of Financial Institutions (“WDFI”) and the Federal Reserve, and to various laws and judicial and administrative decisions imposing requirements and restrictions on part or all of

our operations. Many of these laws are complex, especially those governing fair lending, predatory or unfair or deceptive practices, and the complexity of those rules creates additional potential liability for us because noncompliance could result in significant regulatory action, including restrictions on operations and fines, and could lead to class action lawsuits from shareholders, consumers and employees. In addition, various states have their own laws and regulations, especially California, which has heightened data privacy, employment law and consumer protection regulations, and the cost of complying with state rules that differ from federal rules can significantly increase compliance costs.

Our consumer business, including our mortgage and other consumer lending and non-lending businesses, is also governed by policies enacted or regulations adopted by the Consumer Financial Protection Bureau (the "CFPB") which under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 has broad rulemaking authority over consumer financial products and services. Our regulators, including the FDIC, use interpretations from the CFPB and relevant statutory citations in certain parts of their assessments of our regulatory compliance, including the Real Estate Settlement Procedures Act, the Final Integrated Disclosure Rule, known as TRID, and the Home Mortgage Disclosure Act, adding to the complexity of our regulatory requirements, increasing our data collection requirements and increasing our costs of compliance. The laws, rules and regulations to which we are subject evolve and change frequently, including changes that come from judicial or administrative agency interpretations of laws and regulations outside of the legislative process that may be more difficult to anticipate, and changes to our regulatory environment are often driven by shifts of political power in the federal government. In addition, we are subject to various examinations by our regulators during the course of the year. Regulatory authorities who conduct these examinations have extensive discretion in their supervisory and enforcement activities, including the authority to restrict our operations and certain corporate actions. Administrative and judicial interpretations of the rules that apply to our business may change the way such rules are applied, which also increases our compliance risk if the interpretation differs from our understanding or prior practice. Moreover, an increasing amount of the regulatory authority that pertains to financial institutions is in the form of informal "guidance" such as handbooks, guidelines, examination manuals, field interpretations by regulators or similar provisions that could affect our business or require changes in our practices in the future even if they are not formally adopted as laws or regulations. Any such changes could adversely affect our cost of doing business and our financial position, results of operations and capital position.

In addition, changes in regulation of our industry have the potential to create higher costs of compliance, including short-term costs to meet new compliance standards, limit our ability to pursue business opportunities and increase our exposure to potential fines, penalties and litigation.

Significant legal claims or regulatory actions could subject us to substantial uninsured liabilities and reputational harm and have a material adverse effect on our business and results of operations.

We are from time to time subject to legal claims or regulatory actions related to our operations. These legal claims or regulatory actions could include supervisory or enforcement actions by our regulators, criminal proceedings by prosecutorial authorities, claims by customers or by former and current employees, including class, collective and representative actions, or environmental lawsuits stemming from property that we may hold as OREO following a foreclosure action in the course of our business. Such actions are a substantial management distraction and could involve large monetary claims, including civil money penalties or fines imposed by government authorities and significant defense costs.

To mitigate the cost of some of these claims, we maintain insurance coverage in amounts and with deductibles that we believe are appropriate for our operations. However, our insurance coverage does not cover any civil monetary penalties or fines imposed by government authorities and may not cover all other claims that might be brought against us, including certain wage and hour class, collective and representative actions brought by customers, employees or former employees. In addition, such insurance coverage may not continue to be available to us at a reasonable cost or at all. As a result, we may be exposed to substantial uninsured liabilities, which could adversely affect our business, prospects, financial condition, results of operations and capital position. Substantial legal liability or significant regulatory action against us could cause significant reputational harm to us and/or could have a material adverse impact on our business, prospects, financial condition, results of operations and capital position.

If we are not able to retain or attract key employees, or if we were to suffer the loss of a significant number of employees, we could experience a disruption in our business.

As the Company has focused on efficiency in recent years, we have significantly reduced our employee headcount. However, hiring remains competitive in certain areas of our business. We rely on a number of key employees who are highly sought after in the industry. If a key employee or a substantial number of employees depart or become unable to perform their duties, it may

negatively impact our ability to conduct business as usual. We might then have to divert resources from other areas of our operations, which could create additional stress for other employees, including those in key positions. The loss of qualified and key personnel, or an inability to continue to attract, retain and motivate key personnel could adversely affect our business and consequently impact our financial condition, results of operations and capital position.

Our customers may be negatively impacted by a public health crisis, which may result in adverse impacts to our financial position and results of operations.

In the event of future public health crises, epidemics, pandemics or similar events, the communities where we do business may be put under varying degrees of restrictions on social gatherings and retail operations. These restrictions, combined with related changes in consumer behavior and significant increases in unemployment, may result in extreme financial hardship for certain industries, especially travel, energy, hotel, food and beverage service and retail. Some of our customers may be unable to meet their debt obligations to us in a timely manner, or at all, and we may experience a heightened number of requests from customers for forbearances on loans.

If health emergency related Federal, state and local moratoriums on evictions for non-payment of rent are enacted, they may negatively impact the ability of some borrowers to make payments on loans made for multifamily housing. In addition, such action may ultimately cause a meaningful number of loans in our portfolio to need forbearance or significant modification and migrate to an adverse risk rating because of impacts of an economic recession. In light of these, and other credit issues, we cannot be sure that our allowance for credit losses will be adequate or that additional increases to the allowance for credit losses will not be needed in subsequent periods. If our allowance is not adequate, future net charge-offs may be in excess of our current expected losses, which would create the need for more provisioning and will have a negative impact on our financial condition, results of operations and capital position.

Risks Related to Information Technology

HomeStreet's operational systems and networks, and those of our third-party vendors, have been, and will continue to be, subject to continually evolving cybersecurity risks that have resulted in or could result in the theft, loss, misuse or disclosure of confidential client or customer information or otherwise disrupt or adversely affect our business.

As a financial institution, we are susceptible to fraudulent activity, operational and informational security breaches and cybersecurity incidents that are committed against us or our customers, employees, third-party vendors and others, which may result in financial losses or increased costs, disclosure or misuse of our information or customer information, misappropriation of assets, data privacy breaches, litigation or reputational damage. Related risks for financial institutions have increased in recent years in part because of proliferation and use of new and existing technologies to conduct financial transactions and transmit data, as well as the increased sophistication and unlawful or clandestine activities of organized crime, state-sponsored and other hackers, terrorists, activists, and other malicious external parties to engage in fraudulent activity such as phishing or check, electronic or wire fraud, unauthorized access to our controls and systems, denial or degradation of service attacks, malware and other dishonest acts. Within the financial services industry, the commercial banking sector has generally experienced, and will continue to experience, increased electronic fraudulent activity, security breaches and cybersecurity-related incidents. The nature of our industry sector exposes us to these risks because our business and operations include the protection and storage of confidential and proprietary corporate and personal information, including sensitive financial and other personal data, and any breach thereof could result in identity theft, account or credit card fraud or other fraudulent activity. The risk to our organization may be further elevated over the near term because of recent geopolitical events in Eastern Europe and the Middle East, which may result in increased attacks against U.S. critical infrastructure, including financial institutions.

Our computer systems, software and networks are subject to ongoing cyber incidents such as unauthorized access; loss or destruction of data (including confidential client information); account takeovers; unavailability of service; computer viruses or other malicious code; cyber-attacks; and other events. While we have experienced and continue to experience various forms of these cyber incidents in the past, we have not been materially impacted by them. However, cyber incidents may occur again and they could occur more frequently and on a more significant scale.

Our business and operations rely on the secure processing, transmission, protection and storage of confidential, private and personal information by our computer operation systems and networks, as well as our online banking or reporting systems used by customers to perform certain financial transactions, all of which are either managed directly by us or through our third-party data processing vendors. The secure maintenance and transmission of confidential information, and the execution of

transactions through our systems, are critical to protecting us and our customers against fraud and security breaches and to maintaining customer confidence. To access our products and services, our customers may use personal computers, smartphones, tablet PCs, and other mobile devices that function beyond our control systems. Although we believe we have invested in, and plan to continue investing in, maintaining and routinely testing adequate operational and informational security procedures and controls, we rely heavily on our third-party vendors, technologies, systems, networks and our customers' devices, all of which are the target of cyber-attacks, computer viruses, malicious code, unauthorized access, hackers or information security breaches that have resulted in and could again in the future result in the unauthorized release, gathering, monitoring, misuse, loss, theft or destruction of our confidential, proprietary and other information or that of our customers, or that could disrupt our operations or those of our customers or third parties. Even though we invest in, maintain and routinely test our operational and informational security procedures and controls, we may fail to anticipate or sufficiently mitigate security breaches, or we may experience data privacy breaches, that could result in losses to us or our customers, damage to our reputation, incurrence of significant costs, business disruption, our inability to grow our business and exposure to regulatory scrutiny or penalties, litigation and potential financial liability, any of which could adversely affect our business, financial condition, results of operations or capital position.

Our computer systems could be vulnerable to unforeseen problems other than cybersecurity related incidents or other data security breaches, including the potential for infrastructure damage to our systems or the systems of our vendors from fire, power loss, telecommunications failure, physical break-ins, theft, natural disasters or similar catastrophic events. Any damage or failure that causes interruptions in operations may compromise our ability to perform critical functions in a timely manner (or may give rise to perceptions of such compromise) and could increase our costs of doing business, or have a material adverse effect on our financial condition, results of operations or capital position, as well as our reputation and customer or vendor relationships.

In addition, some of the technology we use in our regulatory compliance, including our mortgage loan origination and servicing technology, as well as other critical business activities such as core systems processing, essential web hosting and deposit and processing services, as well as security solutions, are provided by third party vendors. If those providers fail to update their systems or services in a timely manner to reflect new or changing regulations, or if our personnel operate these systems in a non-compliant manner, our ability to meet regulatory requirements may be impacted and may expose us to heightened regulatory scrutiny and the potential for monetary penalties. These vendors are also sources of operational and informational security risk to us, including from interruptions or failures of their own systems, cybersecurity or ransomware attacks, capacity constraints or failures of their own internal controls. Such third parties are targets of cyber-attacks, computer viruses, malicious code, unauthorized access, hackers, ransomware attacks or information security breaches that have compromised and could again in the future compromise the confidential or proprietary information of HomeStreet and our customers.

The failure to protect our customers' confidential information, data and privacy could adversely affect our business.

We are subject to federal and state privacy regulations and confidentiality obligations, including the California Consumer Privacy Act of 2018 and the California Privacy Rights Act of 2020, that, among other things restrict the use and dissemination of, and access to, certain information that we produce, store or maintain in the course of our business and establishes a new state agency to enforce these rules. We also have contractual obligations to protect certain confidential information we obtain from our existing vendors and customers. These obligations generally include protecting such confidential information in the same manner and to the same extent as we protect our own confidential information, and in some instances may impose indemnity obligations on us relating to unlawful or unauthorized disclosure of any such information.

The continued development and enhancement of our information security controls, processes and practices designed to protect customer information, our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority for our management as we increase our online and mobile banking offerings. As cyber threats continue to evolve, including supply chain risks, our costs to combat the cybersecurity threat may also increase. Nonetheless, our measures may be insufficient to prevent all physical and electronic break-ins, denial of service and other cyber-attacks or security breaches. If we do not properly comply with privacy regulations and contractual obligations that require us to protect confidential information, or if we experience a security breach or network compromise, we could face regulatory sanctions, penalties or fines, increased compliance costs, remedial costs such as providing credit monitoring or other services to affected customers, litigation and damage to our reputation, which in turn could result in decreased revenues and loss of customers, any or all of which would have a material adverse effect on our financial condition, results of operations and capital position.

We continually encounter technological change, and we may have fewer resources than many of our competitors to invest in technological improvements.

The financial services industry undergoes rapid technological changes with frequent introductions of new technology-driven products and services to better serve customers and to reduce costs. Our future success will depend, in part, upon our ability to provide products and services using technology that will satisfy client demands for convenience, as well as to create additional efficiencies in our operations. Many national vendors provide turn-key services to community banks, such as Internet banking and remote deposit capture that allow smaller banks to compete with institutions that have substantially greater resources to invest in technological improvements. However, we may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers.

Risk Related to our Indebtedness

Payments on our \$65 million senior notes due 2026, our \$62 million of junior subordinated deferrable interest debentures due in 2035, 2036 and 2037 and our \$100 million subordinated notes due 2032 (collectively the “HomeStreet Notes”) will depend on receipt of dividends and distributions from our subsidiaries.

We are a bank holding company and we conduct substantially all of our operations through the Bank. We depend on dividends, distributions and other payments from the Bank to meet our obligations, including to fund payments on the HomeStreet Notes.

Federal and state banking regulations limit dividends from our bank subsidiary to us. Generally, banks are prohibited from paying dividends when doing so would cause them to fall below regulatory minimum capital levels. In addition, under Washington law, the board of directors of the Bank generally may not declare a cash dividend on its capital stock in an amount greater than its retained earnings without the approval of the WDFI. We also have a policy of retaining a significant portion of our earnings to support the Bank’s operations.

In addition, federal bank regulatory agencies have the authority to prohibit the Bank from engaging in unsafe or unsound practices in conducting its business. The payment of dividends or other transfers of funds to us, depending on the financial condition of the Bank, could be deemed an unsafe or unsound practice.

Accordingly, we can provide no assurance that we will receive dividends or other distributions from the Bank in an amount sufficient to pay interest on or principal of the HomeStreet Notes.

Regulatory guidelines may restrict our ability to pay the principal of, and accrued and unpaid interest on, the HomeStreet Notes.

As a bank holding company, our ability to pay the principal of, and interest on, the HomeStreet Notes is subject to the rules and guidelines of the Federal Reserve regarding capital adequacy. We treat the HomeStreet Notes as “Tier 2 capital” under these rules and guidelines. The Federal Reserve guidelines generally require us to review the effects of the cash payment of Tier 2 capital instruments, such as the HomeStreet Notes, on our overall financial condition. The guidelines also require that we review our net income for the current and past four quarters, and the amounts we have paid on Tier 2 capital instruments for those periods, as well as our projected rate of earnings retention. Moreover, pursuant to federal law and Federal Reserve regulations, as a bank holding company, we are required to act as a source of financial and managerial strength to the Bank and commit resources to its support, including, without limitation, the guarantee of its capital plans if it is undercapitalized. Such support may be required at times when we may not otherwise be inclined or able to provide it. As a result of the foregoing, we may be unable to pay accrued interest on the HomeStreet Notes on one or more of the scheduled interest payment dates, or at any other time, or the principal of the HomeStreet Notes at the maturity of the HomeStreet Notes.

If we were to be the subject of a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code, then the bankruptcy trustee would be deemed to have assumed, and would be required to cure, immediately any deficit under any commitment we have to any of the federal banking agencies to maintain the capital of the Bank, and any other insured depository institution for which we have such a responsibility, and any claim for breach of such obligation would generally have priority over most other unsecured claims.

Market conditions or Company specific issues may restrict our ability to raise debt or capital to pay off our HomeStreet Notes upon maturity.

The Company may have to raise debt or capital to pay off our HomeStreet Notes upon maturity. We may not be able to raise debt or capital at the time when we need it, or on terms that are acceptable to us, especially if capital markets are especially constrained, if our financial performance weakens, or if we need to do so at a time when many other financial institutions are competing for debt and capital from investors in response to changing economic conditions. An inability to raise additional debt or capital on acceptable terms when needed could have a material adverse effect on our business, results of operations and capital position. In addition, any capital raising alternatives could dilute the value of our outstanding common stock held by our existing shareholders and may adversely affect the market price of our common stock.

ITEM 1B UNRESOLVED STAFF COMMENTS

None.

ITEM 1C CYBERSECURITY

Cybersecurity Risk Management and Strategy:

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things, operational risks; intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy or security laws and other litigation and legal risk; and reputational risks.

We also maintain an incident response plan to coordinate the activities we take to protect against, detect, respond to and remediate cybersecurity incidents, as such term is defined in Item 106(a) of Regulation S-K, as well as to comply with potentially applicable legal obligations and mitigate brand and reputational damage.

We have implemented several cybersecurity processes, technologies, and controls to aid in our efforts to identify, assess, and manage material risks, as well as to test and improve our incident response plan. Our approach includes, among other things:

- conducting regular network and endpoint monitoring, vulnerability assessments, and penetration testing to improve our information systems, as such term is defined in Item 106(a) of Regulation S-K;
- running tabletop exercises to simulate a response to a cybersecurity incident and use the findings to improve our processes and technologies;
- regular cybersecurity training programs for employees, management and directors; conducting annual customer data handling training for all our employees;
- conducting annual cybersecurity management and incident training for employees involved in our systems and processes that handle sensitive data;
- comparing our processes to standards set by the National Institute of Standards and Technology (“NIST”), International Organization for Standardization (“ISO”), and Center for Internet Security (“CIS”);
- leveraging the NIST cybersecurity framework to help us identify, protect, detect, respond, and recover when there is an actual or potential cybersecurity incident;
- operating threat intelligence processes designed to model and research our adversaries;
- closely monitoring emerging data protection laws and implementing changes to our processes designed to comply;
- undertaking regular reviews of our consumer facing policies and statements related to cybersecurity;
- proactively informing our customers of substantive changes related to customer data handling;
- conducting regular phishing email simulations for all employees and all contractors with access to corporate email systems to enhance awareness and responsiveness to such possible threats;
- through policy, practice and contract (as applicable) requiring employees, as well as third-parties who provide services on our behalf, to treat customer information and data with care;
- maintaining a risk management program for suppliers, vendors, and other third parties, which includes conducting pre-engagement risk-based diligence, implementing contractual security and notification provisions, and ongoing monitoring as needed; and
- carrying information security risk insurance that provides protection against the potential losses arising from a cybersecurity incident.

These approaches vary in maturity across the business and we work to continually improve them.

Our process for identifying and assessing material risks from cybersecurity threats operates alongside our broader overall risk assessment process, covering all Company risks. As part of this process appropriate disclosure personnel will collaborate with subject matter specialists, as necessary, to gather insights for identifying and assessing material cybersecurity threat risks, their severity, and potential mitigations. As part of the above approach and processes, we regularly engage with assessors, consultants, auditors, and other third parties, to review our cybersecurity program to help identify areas for continued focus, improvement and/or compliance.

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading "Risks Related to Information Technology" included as part of our risk factor disclosures in Item 1A of this Form 10-K.

In the last three fiscal years, we have not experienced any material cybersecurity incidents and the expenses we have incurred from cybersecurity incidents were immaterial. This includes penalties and settlements, of which there were none.

Governance

Cybersecurity is an important part of our risk management processes and an area of increasing focus for our Board and management. Our Board Enterprise Risk Management Committee ("ERMC") is responsible for the oversight of risks from cybersecurity threats. At least quarterly, the ERMC receives an overview from management and the management steering committee of our cybersecurity threat risk management and strategy processes covering topics such as data security posture, results from third-party assessments, progress towards pre-determined risk-mitigation-related goals, our incident response plan, and cybersecurity threat risks or incidents and developments, as well as the steps management has taken to respond to such risks. In such sessions, the ERMC generally receives materials including a cybersecurity scorecard and other materials indicating current and emerging cybersecurity threat risks, describing the company's ability to mitigate those risks, and discussing such matters with our Chief Information Security Officer and Chief Information Officer. Members of the ERMC are also encouraged to regularly engage in ad hoc conversations with management on cybersecurity-related news events and discuss any updates to our cybersecurity risk management and strategy programs. Material cybersecurity threat risks may also be considered during separate Board meeting discussions. The Board engages external cybersecurity experts, as needed, leveraging their expertise as part of our ongoing effort to evaluate and enhance our cybersecurity program. They help with cyber defense capabilities and transformation designed to mitigate associated threats, reduce risk, enhance our cybersecurity posture, and meet the Company's evolving needs.

Our cybersecurity risk management and strategy processes, which are discussed in greater detail above, are led by our Chief Information Security Officer, Chief Information Officer, and our management technology steering committee. Such individuals have collectively over 30 years of prior work experience in various roles involving managing information security, developing cybersecurity strategy, and implementing effective information and cybersecurity programs, as well as several relevant certifications, including Certified Information Security Manager, Cisco Certified Network Administrator-Security, CompTIA Secure Infrastructure Specialist, and many others.

These members of management and the management technology steering committee are informed about and monitor the prevention, mitigation, detection, and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan.

If a cybersecurity incident is determined to be a material cybersecurity incident, our incident response plan and cybersecurity disclosure controls and procedures define the process to disclose such a material cybersecurity incident.

ITEM 2 PROPERTIES

We lease our principal corporate office, which is located in downtown Seattle at 601 Union Street, Suite 2000, Seattle, WA 98101. This lease provides sufficient space to conduct the management of our business. The Company conducts its Commercial and Consumer Banking activities in locations in Washington, California, Oregon, Hawaii, Idaho, and Utah. As of December 31, 2024, we operated in three primary commercial lending centers, 56 retail deposit branches, and one insurance office. As of such date, we also operated two facilities for the purpose of administrative and other functions in addition to the principal offices: a call center and operations support facility located in Federal Way, Washington, and a loan fulfillment center in Lynnwood, Washington. Other than those we lease, we own eight retail deposit branches, the call center and operations support facility in Federal Way, and we own 50% of a retail branch through a joint venture.

ITEM 3 LEGAL PROCEEDINGS

Because the nature of our business involves the collection of numerous accounts, the validity of liens and compliance with various state and federal lending laws, we are subject to various legal proceedings in the ordinary course of our business related to foreclosures, bankruptcies, condemnation and quiet title actions and alleged statutory and regulatory violations. We are also subject to legal proceedings in the ordinary course of business related to employment matters. We do not expect that these proceedings, taken individually or as a whole, will have a material adverse effect on our business, financial position or our results of operations. There are currently no matters that, in the opinion of management, would have a material adverse effect on our consolidated financial position, results of operation or liquidity, or for which there would be a reasonable possibility of such a loss based on information known at this time.

ITEM 4 MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock

Our common stock is traded on the Nasdaq Global Select Market under the symbol "HMST."

As of March 3, 2025, there were 2,128 shareholders of record of our common stock.

Dividend Policy

HomeStreet has a dividend policy that contemplates the payment of quarterly cash dividends on our common stock when, if and in an amount declared by the Board of Directors after taking into consideration, among other things, earnings, regulatory capital levels, the overall payout ratio and expected asset growth. The Company currently does not intend on paying dividends in 2025. The determination of whether to pay a dividend and the dividend rate to be paid will be reassessed each quarter by the Board of Directors in accordance with the dividend policy. Our ability to pay dividends to shareholders is dependent on many factors, including the Bank's ability to pay dividends to the Company.

Sales of Unregistered Securities

There were no sales of unregistered securities during the fourth quarter of 2024.

ITEM 6 RESERVED.

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Management's discussion and analysis of results of operations and financial condition ("MD&A") is intended to assist the reader in understanding and assessing significant changes and trends related to the results of operations and financial condition of our consolidated Company. This discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying footnotes in Part II, Item 8 of this Form 10-K. A comparison of the financial results for the year ended December 31, 2023 to the year ended December 31, 2022, is incorporated by reference to Part II, Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Management's Overview of 2024 Financial Performance

Recent Developments

In the fourth quarter of 2024, the definitive merger agreement with FirstSun Capital Bancorp was terminated by mutual agreement. We then implemented a new strategic plan, which included selling \$990 million of multifamily loans in the fourth quarter, that repositioned our balance sheet and accelerated our return to profitability, which we expect to occur in the first half of 2025. We sold loans with a weighted average interest rate of 3.30% and used the proceeds to pay off Federal Home Loan Bank advances and brokered deposits with a weighted average interest rate of 4.65%. The brokered deposits were paid off in early January 2025.

Economic and Market Conditions

The current level of interest rates continues to adversely impact our results of operations as our overall cost of funds are high in relation to the yield on our earning assets, resulting in a low net interest margin. With the decrease in short term interest rates in the latter part of 2024, our cost of funds have stabilized and started to decrease. As a result of the fourth quarter loan sale, we have been able to improve our net interest margin by selling lower yielding loans and paying off higher cost wholesale funding. With the market expectation of ongoing reductions in short term interest rates by the Federal Reserve, we expect continued decreases in our funding costs and improvements in our gain on sale of loans as lower rates positively impact the volume of our loans originated and sold.

We have significant exposure in commercial real estate, primarily multifamily, and single-family loans in or near the areas affected by the wildfires in Southern California. We have been advised of losses on 8 single-family residences with additional partial damage or other impacts to 19 additional homes. Because all of these properties have current full insurance coverage, we do not expect to suffer any losses associated with these wildfires. We plan on providing forbearance and assistance to our impacted customers.

Critical Accounting Estimates

The following discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements and the notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and accounting practices in the banking industry. Certain of those accounting policies are considered critical accounting policies because they require us to make estimates and assumptions regarding circumstances or trends that could materially affect the value of those assets, such as economic conditions or trends that could impact our ability to fully collect our loans or ultimately realize the carrying value of certain of our other assets. Those estimates and assumptions are made based on current information available to us regarding those economic conditions or trends or other circumstances. If changes were to occur in the events, trends or other circumstances on which our estimates or assumptions were based, these changes could have a material adverse effect on the carrying value of assets and liabilities and on our results of operations. We have identified two policies and estimates as being critical because they require management to make particularly difficult, subjective, and/or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be reported under different conditions or using different assumptions. These policies relate to the allowance for credit losses ("ACL") and the valuation of residential mortgage servicing rights ("MSRs").

The ACL is calculated based on quantitative and qualitative factors to estimate credit losses over the life of a loan. The inputs used to determine quantitative factors include estimates based on historical experience of probability of default and loss given

default. Inputs used to determine qualitative factors include changes in current portfolio characteristics and operating environments such as current and forecasted unemployment rates, capitalization rates used to value properties securing loans, rental rates and single family pricing indexes. Qualitative factors may also include adjustments to address matters not contemplated by the model we use and to assumptions used to determine qualitative factors. Although we believe that our methodology for determining an appropriate level for the ACL adequately addresses the various components that could potentially result in credit losses, the processes and their elements include features that may be susceptible to significant change. Any unfavorable differences between the actual outcome of credit-related events and our estimates could require an additional provision for credit losses. For example, if the projected unemployment rate was downgraded one grade for all periods, the amount of the ACL at December 31, 2024 would increase by approximately \$7 million. This sensitivity analysis is hypothetical and has been provided only to indicate the potential impact that changes in assumptions may have on the ACL estimate.

MSRs are recognized as separate assets when servicing rights are acquired through the sale of loans or through purchases of MSRs. For sales of mortgage loans, the fair value of the MSR is estimated and capitalized. Purchased MSRs are capitalized at the cost to acquire. Initial and subsequent fair value measurements are determined using a discounted cash flow model that is owned and operated by a third party valuation firm. To determine the fair value of the MSR, the present value of expected net future cash flows is estimated. Assumptions used include market discount rates, anticipated prepayment speeds, delinquency and foreclosure rates, and ancillary fee income net of servicing costs. The model assumptions and the MSR fair value estimates are also compared to observable trades of similar portfolios as well as to MSR broker valuations and industry surveys, as available. We also utilize a separate third-party valuation firm to value our MSRs on a periodic basis, the results of which we use to evaluate the reasonableness of the modeled values. Actual market conditions could vary significantly from current conditions which could result in the estimated life of the underlying loans being different which would change the fair value of the MSR. We carry our single family residential MSRs at fair value and report changes in fair value through earnings. MSRs for loans other than single family loans are adjusted to fair value if the carrying value is higher than fair value and are amortized into noninterest income in proportion to, and over the period of, the estimated future net servicing income of the underlying financial assets.

Summary Financial Data

(dollars in thousands, except per share data and FTE data)	For the Years Ended December 31,	
	2024	2023
Select Income Statement data:		
Net interest income	\$ 120,087	\$ 166,753
Provision for credit losses	—	(441)
Noninterest income (loss)	(44,385)	41,921
Noninterest expense	196,214	241,872
Net income (loss):		
Before income tax (benefit) expense	(120,512)	(32,757)
Total	(144,344)	(27,508)
Net income (loss) per fully diluted share	\$ (7.65)	\$ (1.46)
Core net income (loss): ⁽¹⁾		
Total	(20,949)	8,284
Core net income (loss) per fully diluted share	\$ (1.11)	\$ 0.44
Select Performance Ratios:		
Return on average equity	(27.2)%	(5.0)%
Return on average tangible equity		
Net income (loss)	(27.3)%	(4.8)%
Core ⁽¹⁾	(3.6)%	2.0 %
Return on average assets		
Net income (loss)	(1.56)%	(0.29)%
Core ⁽¹⁾	(0.23)%	0.09 %
Efficiency ratio ⁽¹⁾	116.0 %	95.6 %
Net interest margin	1.38 %	1.88 %
Other Data:		
Full time equivalent employees	827	902

(1) Core net income (loss), core net income (loss) per fully diluted share, return on average tangible equity, core return on average tangible equity, core return on average assets and the efficiency ratio are non-GAAP financial measures. For a reconciliation of these measures to the nearest comparable GAAP financial measure or the computation of the measure, see “Non-GAAP Financial Measures” elsewhere in this Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Summary Financial Data (continued)

	As of December 31,	
	2024	2023
(dollars in thousands, except share and per share data)		
Selected Balance Sheet Data:		
Loans held for sale ("LHFS")	\$ 20,312	\$ 19,637
Loans held for investment ("LHFI"), net	6,193,053	7,382,404
ACL	38,743	40,500
Investment securities	1,057,006	1,278,268
Total assets	8,123,698	9,392,450
Deposits	6,413,021	6,763,378
Borrowings	1,000,000	1,745,000
Long-term debt	225,131	224,766
Total shareholders' equity	396,997	538,387
Other data:		
Book value per share	\$ 21.05	\$ 28.62
Tangible book value per share ⁽¹⁾	\$ 20.67	\$ 28.11
Total equity to total assets	4.9 %	5.7 %
Tangible common equity to tangible assets ⁽¹⁾	4.8 %	5.6 %
Shares outstanding at period end	18,857,565	18,810,055
Loans to deposits ratio (Bank)	97.4 %	109.4 %
Credit quality:		
ACL to total loans ⁽²⁾	0.63 %	0.55 %
ACL to nonaccrual loans	70.4 %	103.9 %
Nonaccrual loans to total loans	0.88 %	0.53 %
Nonperforming assets to total assets	0.71 %	0.45 %
Nonperforming assets	\$ 57,814	\$ 42,643
Regulatory Capital Ratios:		
Bank		
Tier 1 leverage ratio ⁽³⁾	7.30 %	8.50 %
Total risk-based capital	13.02 %	13.49 %
Common equity Tier 1 capital	12.27 %	12.79 %
Company		
Tier 1 leverage ratio ⁽³⁾	5.77 %	7.04 %
Total risk-based capital	12.23 %	12.84 %
Common equity Tier 1 capital	8.62 %	9.66 %

- (1) Tangible book value per share and tangible common equity to tangible assets are non-GAAP financial measures. For a reconciliation to the nearest comparable GAAP financial measure, see "Non-GAAP Financial Measures" elsewhere in this Management's Discussion and Analysis of Financial Condition and Results of Operations.
- (2) This ratio excludes balances insured by the FHA or guaranteed by the VA or SBA.
- (3) Due to the timing of our loan sale at the end of December 2024, our Tier 1 leverage regulatory capital ratios, which are based on average assets for the quarter, were temporarily suppressed. If the \$990 million loan sale had occurred at the beginning of the fourth quarter, average assets for the fourth quarter for the Company and the Bank would have been approximately \$8.3 billion and the Tier 1 leverage ratio for the Company and the Bank as of December 31, 2024 would have been approximately 6.45% and 8.15%, respectively.

Results of Operations

2024 Compared to 2023

Non-core amounts: For 2024, non-core items include an \$88.8 million loss on the sale of \$990 million of multifamily loans, \$53.3 million valuation allowance for deferred tax assets and \$3.4 million of merger related expenses. During 2023, non-core items include a \$39.9 million goodwill impairment charge and \$1.5 million of merger related expenses.

General: Our net loss and loss before income taxes were \$144.3 million and \$120.5 million, respectively, in 2024, as compared to \$27.5 million and \$32.8 million, respectively, in 2023. Our core net loss and core loss before income taxes, which exclude the loss on the sale of multifamily loans, the impact of merger related expenses, the valuation allowance for deferred tax assets and goodwill impairment charges, were \$20.9 million and \$27.8 million in 2024, compared to core net income of \$8.3 million and core income before taxes of \$8.6 million in 2023. The \$36.4 million decrease in core income before taxes was primarily due to lower net interest income and lower noninterest income, partially offset by a decrease in noninterest expense.

Income Taxes: Due to our cumulative losses over the last three years, accounting rules require us to provide a valuation allowance for the balance of our deferred tax assets. Therefore, in 2024, we recorded a \$53 million valuation allowance for deferred tax assets which was recorded as income tax expense. Excluding this valuation allowance, the income tax benefit would have been \$29.5 million and would have resulted in an effective tax rate of 24.5% for 2024 as compared to an effective tax rate of 16.0% for 2023. Our effective tax rate in 2023 was significantly impacted by the goodwill impairment charge, a portion of which is not deductible for tax purposes.

Net Interest Income: The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest income from interest-earning assets and the resultant average yields on those assets; (ii) the total dollar amount of interest expense and the average rate of interest on our interest-bearing liabilities; (iii) net interest income; (iv) net interest rate spread; and (v) net interest margin:

(dollars in thousands)	Years Ended December 31,					
	2024			2023		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
Assets:						
Interest-earning assets						
Loans ⁽¹⁾	\$ 7,408,680	\$ 347,367	4.64 %	\$ 7,474,410	\$ 342,152	4.54 %
Investment securities ⁽¹⁾	1,163,597	43,181	3.71 %	1,382,378	53,346	3.86 %
FHLB Stock, Fed Funds and other	275,956	16,306	5.87 %	165,568	8,873	5.33 %
Total interest-earning assets	8,848,233	406,854	4.55 %	9,022,356	404,371	4.45 %
Noninterest-earning assets	411,000			446,814		
Total assets	\$ 9,259,233			\$ 9,469,170		
Interest-bearing liabilities						
Interest-bearing deposits: ⁽²⁾						
Demand deposits	\$ 317,657	\$ 854	0.27 %	\$ 385,276	\$ 917	0.24 %
Money market and savings	1,746,779	29,200	1.66 %	2,235,348	30,874	1.37 %
Certificates of deposit	3,072,605	144,198	4.69 %	2,768,594	106,129	3.83 %
Total	5,137,041	174,252	3.39 %	5,389,218	137,920	2.56 %
Borrowings:						
Borrowings	1,981,042	95,883	4.77 %	1,752,454	82,861	4.68 %
Long-term debt	224,950	12,351	5.46 %	224,574	12,209	5.41 %
Total interest-bearing liabilities	7,343,033	282,486	3.82 %	7,366,246	232,990	3.15 %
Noninterest-bearing liabilities						
Demand deposits ⁽²⁾	1,284,605			1,430,151		
Other liabilities	101,235			120,539		
Total liabilities	8,728,873			8,916,936		
Shareholders' equity	530,360			552,234		
Total liabilities and shareholders' equity	\$ 9,259,233			\$ 9,469,170		
Net interest income		\$ 124,368			\$ 171,381	
Net interest rate spread			0.73 %			1.30 %
Net interest margin			1.38 %			1.88 %

(1) Includes taxable-equivalent adjustments primarily related to tax-exempt income on certain loans and securities of \$4.3 million and \$4.6 million for 2024 and 2023, respectively. The estimated federal statutory tax rate was 21% for both 2024 and 2023.

(2) Cost of all deposits, including noninterest-bearing demand deposits, was 2.71% and 2.02% for 2024 and 2023, respectively.

Rate and Volume Analysis

The following table presents the extent to which changes in interest rates and changes in the volume of our interest-earning assets and interest-bearing liabilities have affected our interest income and interest expense, excluding interest income from nonaccrual loans. Information is provided in each category with respect to: (1) changes attributable to changes in volume, (2) changes attributable to changes in rate and (3) the net change.

(in thousands)	2024 vs. 2023		
	Increase (Decrease) Due to		Total Change
	Rate	Volume	
Assets:			
Interest-earning assets			
Loans	\$ 8,032	\$ (2,817)	\$ 5,215
Investment securities	(1,983)	(8,182)	(10,165)
FHLB stock, Fed Funds and other	975	6,458	7,433
Total interest-earning assets	7,024	(4,541)	2,483
Liabilities:			
Deposits			
Demand deposits	110	(173)	(63)
Money market and savings	5,731	(7,405)	(1,674)
Certificates of deposit	25,556	12,513	38,069
Total interest-bearing deposits	31,397	4,935	36,332
Borrowings:			
Borrowings	1,702	11,320	13,022
Long-term debt	120	22	142
Total interest-bearing liabilities	33,219	16,277	49,496
Total changes in net interest income (loss)	\$ (26,195)	\$ (20,818)	\$ (47,013)

Net interest income in 2024 decreased \$46.7 million as compared to 2023 due primarily to a decrease in our net interest margin. Our net interest margin decreased from 1.88% in 2023 to 1.38% in 2024 due to a 67 basis point increase in the rates paid on interest-bearing liabilities which was partially offset by a 10 basis point increase in the yield on interest earning assets. Yields on interest-earning assets increased as yields on adjustable-rate loans increased due to increases in the indexes on which their pricing is based. The increase in the rates paid on our interest-bearing liabilities was due to an increase in the proportion of higher cost borrowings and a decrease in the proportion of noninterest-bearing deposits to the total balance of interest-bearing liabilities and higher deposit rates and higher borrowing rates. The increases in the rates paid on borrowings and deposits were due to increases in market interest rates over the prior year and the migration of noninterest-bearing and lower cost interest-bearing accounts to higher cost certificates of deposit and money market accounts.

Provision for Credit Losses: There was no provision for credit losses recognized during 2024 as compared to a \$0.4 million recovery in 2023. For 2024, the benefits of the reduction in loan balances during the year were offset by specific reserves on commercial loans. In the fourth quarter, we continued to experience a minimal level of identified credit issues in our loan portfolio and a lack of significant expected credit issues arising in future periods. The recovery of provision for credit losses in 2023 reflects the stable balance of our loan portfolio and minimal level of identified credit issues in our loan portfolio.

Noninterest income (loss) consisted of the following:

(in thousands)	Years Ended December 31,	
	2024	2023
Noninterest income (loss)		
Gain (loss) on loan origination and sale activities ⁽¹⁾		
Single family	\$ 9,573	\$ 8,500
CRE, multifamily and SBA ⁽²⁾	(86,463)	846
Loan servicing income	12,497	12,648
Deposit fees	8,838	10,148
Other	11,170	9,779
Total noninterest income (loss)	\$ (44,385)	\$ 41,921

(1) May include loans originated as held for investment.

(2) 2024 amount includes loss of \$88.8 million on sale of \$990 million of multifamily loans in the fourth quarter.

Loan servicing income, a component of noninterest income, consisted of the following:

(in thousands)	Years Ended December 31,	
	2024	2023
Single family servicing income (loss), net:		
Servicing fees and other	\$ 15,081	\$ 15,523
Changes - amortization ⁽¹⁾	(6,500)	(6,378)
Subtotal	8,581	9,145
Risk management, single family MSRs:		
Changes in fair value due to assumptions ⁽²⁾	1,743	414
Net gain (loss) from economic hedging	(2,932)	(1,744)
Subtotal	(1,189)	(1,330)
Total	\$ 7,392	\$ 7,815
Commercial loan servicing income:		
Servicing fees and other	\$ 10,717	\$ 10,611
Amortization of capitalized MSRs	(5,612)	(5,778)
Total	5,105	4,833
Total loan servicing income	\$ 12,497	\$ 12,648

(1) Represents changes due to collection/realization of expected cash flows and curtailments.

(2) Principally reflects changes in model assumptions, including prepayment speed assumptions, which are primarily affected by changes in mortgage interest rates.

Noninterest income in 2024 decreased from 2023 primarily due to the \$88.8 million loss on the sale of multifamily loans and lower deposit fees, partially offset by higher levels of income realized from our investments in small business investment companies.

Noninterest expense consisted of the following:

(in thousands)	Years Ended December 31,	
	2024	2023
Noninterest expense		
Compensation and benefits	\$ 107,424	\$ 111,064
Information services	29,872	29,901
Occupancy	21,719	22,241
General, administrative and other	37,199	38,809
Goodwill impairment charge	—	39,857
Total noninterest expense	\$ 196,214	\$ 241,872

The \$45.7 million decrease in noninterest expense in 2024 as compared to 2023 was primarily due to a \$39.9 million goodwill impairment in 2023, \$3.6 million lower compensation and benefit costs and \$1.6 million lower general and administrative costs, which were partially offset by \$1.9 million of higher merger related expenses recognized in 2024. The decrease in compensation and benefit costs was primarily due to a 9% decrease in FTE and lower medical costs, which was partially offset by wage increases given in 2024.

Financial Condition – December 31, 2024 compared to December 31, 2023

During 2024, our total assets decreased \$1.3 billion due primarily to the \$990 million sale of multifamily loans and a \$221 million decrease in investment securities. During 2024, we allowed our investment securities portfolio to decline through runoff. In 2024, total liabilities decreased \$1.1 billion due to a \$745 million decrease in borrowings and a \$350 million decrease in deposits. The decrease in deposits was primarily due to a \$467 million decrease in brokered certificates of deposit which was partially offset by increases in retail customer deposits. The \$745 million decrease in borrowings during 2024 was primarily due to paydowns from the use of proceeds from the sale of multifamily loans.

Investment Securities

The fair values of our investment securities available for sale ("AFS") are as follows:

(in thousands)	At December 31,	
	2024	2023
	Fair Value	Fair Value
Investment securities AFS:		
Mortgage-backed securities:		
Residential	\$ 167,462	\$ 183,798
Commercial	47,642	47,756
Collateralized mortgage obligations:		
Residential	317,444	439,738
Commercial	54,945	57,397
Municipal bonds	378,259	404,874
Corporate debt securities	24,944	38,547
U.S. Treasury securities	19,987	20,184
Agency debentures	9,276	58,905
Total	\$ 1,019,959	\$ 1,251,199

Loans

The following table details the composition of our LHFH portfolio by dollar amount:

(in thousands)	At December 31,	
	2024	2023
CRE		
Non-owner occupied CRE	\$ 570,750	\$ 641,885
Multifamily	2,992,675	3,940,189
Construction/land development	472,740	565,916
Total	4,036,165	5,147,990
Commercial and industrial loans		
Owner occupied CRE	361,997	391,285
Commercial business	312,004	359,049
Total	674,001	750,334
Consumer loans		
Single family	1,109,095	1,140,279
Home equity and other	412,535	384,301
Total ⁽¹⁾	1,521,630	1,524,580
Total LHFH	6,231,796	7,422,904
ACL	(38,743)	(40,500)
Total LHFH less ACL	\$ 6,193,053	\$ 7,382,404

(1) Includes \$1.3 million of loans at December 31, 2024 and 2023, where a fair value option election was made at the time of origination and therefore, are carried at fair value with changes recognized in the consolidated income statements.

The following tables show the contractual maturity of our loan portfolio by loan type:

(in thousands)	December 31, 2024				Loans due after one year by rate characteristic	
	Within one year	After one year through five years	After five years	Total	Fixed- rate	Adjustable- rate
CRE						
Non-owner occupied CRE	\$ 100,463	\$ 123,856	\$ 346,431	\$ 570,750	\$ 62,337	\$ 407,950
Multifamily	7,771	197,069	2,787,835	2,992,675	137,305	2,847,600
Construction/land development	332,929	108,393	31,418	472,740	98,974	40,836
Total	441,163	429,318	3,165,684	4,036,165	298,616	3,296,386
Commercial and industrial loans						
Owner occupied CRE	16,076	129,278	216,643	361,997	110,006	235,915
Commercial business	110,405	135,130	66,469	312,004	48,270	153,329
Total	126,481	264,408	283,112	674,001	158,276	389,244
Consumer loans						
Single family	578	886	1,107,631	1,109,095	387,935	720,582
Home equity and other	57	38	412,440	412,535	7,445	405,033
Total	635	924	1,520,071	1,521,630	395,380	1,125,615
Total LHFH	\$ 568,279	\$ 694,650	\$ 4,968,867	\$ 6,231,796	\$ 852,272	\$ 4,811,245

(in thousands)	December 31, 2023				Loans due after one year by rate characteristic	
	Within one year	After one year through five years	After five years	Total	Fixed- rate	Adjustable- rate
CRE						
Non-owner occupied CRE	\$ 29,737	\$ 213,997	\$ 398,151	\$ 641,885	\$ 101,854	\$ 510,294
Multifamily	2,495	75,380	3,862,314	3,940,189	38,777	3,898,917
Construction/land development	502,033	63,883	—	565,916	28,958	34,925
Total	534,265	353,260	4,260,465	5,147,990	169,589	4,444,136
Commercial and industrial loans						
Owner occupied CRE	2,683	91,986	296,616	391,285	130,306	258,296
Commercial business	154,785	118,054	86,210	359,049	61,173	143,091
Total	157,468	210,040	382,826	750,334	191,479	401,387
Consumer loans						
Single family	590	1,036	1,138,653	1,140,279	414,957	724,732
Home equity and other	1	95	384,205	384,301	7,794	376,506
Total	591	1,131	1,522,858	1,524,580	422,751	1,101,238
Total LHFI	\$ 692,324	\$ 564,431	\$ 6,166,149	\$ 7,422,904	\$ 783,819	\$ 5,946,761

Loan Roll-forward

(in thousands)	Years Ended December 31,	
	2024	2023
Loans - beginning balance January 1,	\$ 7,422,904	\$ 7,426,320
Originations and advances	1,128,733	1,300,571
Transfers to LHFS	(1,170)	(2,507)
Loans sold	(994,243)	—
Payoffs, paydowns and other	(1,321,782)	(1,296,786)
Charge-offs and transfers to OREO	(2,646)	(4,694)
Loans - ending balance December 31,	\$ 6,231,796	\$ 7,422,904

Loan Originations and Advances

(in thousands)	Years Ended December 31,	
	2024	2023
CRE		
Non-owner occupied CRE	\$ 2,141	\$ 20,025
Multifamily	146,654	129,712
Construction/land development	593,209	620,580
Total	742,004	770,317
Commercial and industrial loans		
Owner occupied CRE	5,652	25,880
Commercial business	142,277	127,790
Total	147,929	153,670
Consumer loans		
Single family	87,125	232,115
Home equity and other	151,675	144,469
Total	238,800	376,584
Total	\$ 1,128,733	\$ 1,300,571

Production Volumes for Sale to the Secondary Market

(in thousands)	Years Ended December 31,	
	2024	2023
Loan originations		
Single family loans	\$ 413,983	\$ 332,811
Commercial and industrial and CRE loans	107,352	30,061
Loans sold		
Single family loans	404,952	335,751
Commercial and industrial and CRE loans ⁽¹⁾	1,103,742	26,839
Net gain (loss) on loan origination and sale activities		
Single family loans	\$ 9,573	\$ 8,500
Commercial and industrial and CRE loans ⁽²⁾	(86,463)	846
Total	\$ (76,890)	\$ 9,346

(1) May include loans originated as held for investment. 2024 amount includes sale of \$990 million of multifamily loans in the fourth quarter.

(2) May include loans originated as held for investment. 2024 amount includes loss of \$88.8 million on sale of \$990 million of multifamily loans in the fourth quarter.

Capitalized Mortgage Servicing Rights ("MSRs")

(in thousands)	Years Ended December 31,	
	2024	2023
Single Family MSRs		
Beginning balance	\$ 74,249	\$ 76,617
Additions and amortization:		
Originations	3,409	3,136
Purchases	—	460
Amortization ⁽¹⁾	(6,500)	(6,378)
Net additions and amortization	(3,091)	(2,782)
Change in fair value due to assumptions ⁽²⁾	1,743	414
Ending balance	\$ 72,901	\$ 74,249
Ratio to related loans serviced for others	1.41 %	1.40 %
Multifamily and SBA MSRs		
Beginning balance	\$ 29,987	\$ 35,256
Originations	2,190	509
Amortization	(5,612)	(5,778)
Ending balance	\$ 26,565	\$ 29,987
Ratio to related loans serviced for others	1.38 %	1.58 %

(1) Represents changes due to collection/realization of expected cash flows and curtailments.

(2) Principally reflects changes in model assumptions, including prepayment speed assumptions, which are primarily affected by changes in mortgage interest rates.

Deposits

Deposit balances and weighted average rates were as follows for the periods indicated:

(in thousands)	At December 31,			
	2024		2023	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
Deposits by product:				
Noninterest-bearing demand deposits	\$ 1,195,781	— %	\$ 1,306,503	— %
Interest-bearing:				
Interest-bearing demand deposits	323,112	0.35 %	344,748	0.25 %
Savings	229,659	0.06 %	261,508	0.06 %
Money market	1,396,697	1.72 %	1,622,665	1.79 %
Certificates of deposit				
Brokered deposits	751,406	4.61 %	1,218,008	5.36 %
Other	2,516,366	4.37 %	2,009,946	3.95 %
Total interest-bearing deposits	5,217,240	3.31 %	5,456,875	3.19 %
Total deposits	\$ 6,413,021	2.65 %	\$ 6,763,378	2.58 %

The following table presents the schedule of maturities of certificates of deposit as of December 31, 2024:

(in thousands)	Three Months or Less	Over Three Months to Twelve Months	Over One Year through Three Years	Over Three Years	Total
Time deposits of \$250,000 or less	\$ 1,486,016	\$ 1,417,146	\$ 97,155	\$ 2,115	\$ 3,002,432
Time deposits of \$250,000 or more	87,610	166,521	10,671	538	265,340
Total	\$ 1,573,626	\$ 1,583,667	\$ 107,826	\$ 2,653	\$ 3,267,772

Credit Risk Management: Delinquent Loans, Nonperforming Assets and Provision for Credit Losses

During 2024, our ratios of nonperforming assets to total assets and total loans delinquent over 30 days, including nonaccrual loans, increased, partially as a result of the sale of \$990 million of multifamily loans in the fourth quarter. As of December 31, 2024, our ratio of nonperforming assets to total assets was 0.71% as compared to 0.45% at December 31, 2023, and our ratio of total loans delinquent over 30 days, including nonaccrual loans, to total loans was 1.06% as compared to 0.72% at December 31, 2023. The \$16 million increase in nonaccrual loans during 2024 was primarily related to a syndicated commercial loan which we are participating.

Delinquent loans by loan type consisted of the following:

(in thousands)	At December 31, 2024						
	Past Due and Still Accruing			Nonaccrual	Total past due and nonaccrual ⁽¹⁾	Current	Total loans
	30-59 days	60-89 days	90 days or more				
CRE							
Non-owner occupied CRE	\$ —	\$ —	\$ —	\$ 16,230	\$ 16,230	\$ 554,520	\$ 570,750
Multifamily	—	—	—	1,915	1,915	2,990,760	2,992,675
Construction and land development							
Multifamily construction	—	—	—	—	—	98,906	98,906
CRE construction	—	—	—	3,821	3,821	7,217	11,038
Single family construction	—	—	—	—	—	320,826	320,826
Single family construction to permanent	—	—	—	—	—	41,970	41,970
Total	—	—	—	21,966	21,966	4,014,199	4,036,165
Commercial and industrial loans							
Owner occupied CRE	—	—	—	1,161	1,161	360,836	361,997
Commercial business	—	—	—	25,740	25,740	286,264	312,004
Total	—	—	—	26,901	26,901	647,100	674,001
Consumer loans							
Single family	4,601	1,096	4,354 ⁽²⁾	2,990	13,041	1,096,054	1,109,095
Home equity and other	344	631	—	3,137	4,112	408,423	412,535
Total	4,945	1,727	4,354	6,127	17,153	1,504,477	1,521,630 ⁽³⁾
Total loans	\$ 4,945	\$ 1,727	\$ 4,354	\$ 54,994	\$ 66,020	\$ 6,165,776	\$ 6,231,796
%	0.08 %	0.03 %	0.07 %	0.88 %	1.06 %	98.94 %	100.00 %

(1) Includes loans whose repayments are insured by the FHA or guaranteed by the VA or SBA of \$11.3 million.

(2) FHA-insured and VA-guaranteed single family loans that are 90 days or more past due are maintained on accrual status if they are determined to have little to no risk of loss.

(3) Includes \$1.3 million of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in our consolidated income statements.

At December 31, 2023

(in thousands)	Past Due and Still Accruing			Nonaccrual	Total past due and nonaccrual	Current	Total loans
	30-59 days	60-89 days	90 days or more				
CRE							
Non-owner occupied CRE	\$ —	\$ —	\$ —	\$ 16,803	\$ 16,803	\$ 625,082	\$ 641,885
Multifamily	—	1,915	—	—	1,915	3,938,274	3,940,189
Construction and land development							
Multifamily construction	—	—	—	—	—	168,049	168,049
CRE construction	—	—	—	3,821	3,821	14,692	18,513
Single family construction	—	—	—	—	—	274,050	274,050
Single family construction to permanent	—	—	—	—	—	105,304	105,304
Total	—	1,915	—	20,624	22,539	5,125,451	5,147,990
Commercial and industrial loans							
Owner occupied CRE	—	—	—	706	706	390,579	391,285
Commercial business	—	—	—	13,686	13,686	345,363	359,049
Total	—	—	—	14,392	14,392	735,942	750,334
Consumer loans							
Single family	5,174	1,993	4,261 ⁽²⁾	2,650	14,078	1,126,201	1,140,279
Home equity and other	974	225	—	1,310	2,509	381,792	384,301
Total	6,148	2,218	4,261	3,960	16,587	1,507,993	1,524,580 ⁽³⁾
Total loans	\$ 6,148	\$ 4,133	\$ 4,261	\$ 38,976	\$ 53,518	\$ 7,369,386	\$ 7,422,904
%	0.08 %	0.05 %	0.06 %	0.53 %	0.72 %	99.28 %	100.00 %

(1) Includes loans whose repayments are insured by the FHA or guaranteed by the VA or SBA of \$12.4 million.

(2) FHA-insured and VA-guaranteed single family loans that are 90 days or more past due are maintained on accrual status if they are determined to have little to no risk of loss.

(3) Includes \$1.3 million of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in our consolidated income statements.

Management considers the current level of the ACL to be appropriate to cover estimated lifetime losses within our LHFI portfolio. The following table presents the ACL by product type:

(in thousands)	December 31, 2024		December 31, 2023	
	Balance	Rate ⁽¹⁾	Balance	Rate ⁽¹⁾
CRE				
Non-owner occupied CRE	\$ 1,739	0.30 %	\$ 2,610	0.41 %
Multifamily	14,909	0.50 %	13,093	0.33 %
Construction/land development				
Multifamily construction	849	0.86 %	3,983	2.37 %
CRE construction	66	0.60 %	189	1.02 %
Single family construction	6,737	2.10 %	7,365	2.69 %
Single family construction to permanent	184	0.44 %	672	0.64 %
Total	24,484	0.61 %	27,912	0.54 %
Commercial and industrial loans				
Owner occupied CRE	576	0.16 %	899	0.23 %
Commercial business	6,886	2.23 %	2,950	0.83 %
Total	7,462	1.12 %	3,849	0.52 %
Consumer loans				
Single family	3,610	0.35 %	5,287	0.51 %
Home equity and other	3,187	0.77 %	3,452	0.90 %
Total	6,797	0.47 %	8,739	0.61 %
Total ACL	\$ 38,743	0.63 %	\$ 40,500	0.55 %

(1) The ACL rate is calculated excluding balances related to loans that are insured by the FHA or guaranteed by the VA or SBA.

Liquidity and Sources of Funds

Liquidity risk management is primarily intended to ensure we are able to maintain sources of cash to adequately fund operations and meet our obligations, including demands from depositors, draws on lines of credit and paying any creditors, on a timely and cost-effective basis, in various market conditions. Our liquidity profile is influenced by changes in market conditions, the composition of the balance sheet and risk tolerance levels. The Company has established liquidity guidelines and operating plans that detail the sources and uses of cash and liquidity.

The Company's primary sources of liquidity include deposits, loan payments and investment securities payments, both principal and interest, borrowings, and proceeds from the sale of loans and investment securities. Borrowings include advances from the FHLB, borrowings from the Federal Reserve, federal funds purchased and borrowing from other financial institutions. Additionally, the Company may sell stock or issue long-term debt to raise funds. While scheduled principal repayments on loans and investment securities are a relatively predictable source of funds, deposit inflows and outflows and prepayments of loans and investment securities are greatly influenced by interest rates, economic conditions and competition.

The Company's contractual cash flow obligations include the maturity of certificates of deposit, short term and long-term borrowings, interest on certificates of deposit and borrowings, operating leases and fees for information technology related services and professional services. Obligations for certificates of deposit and short-term borrowings are typically satisfied through the renewal of these instruments or the generation of new deposits or use of available short-term borrowings. Interest payments and obligations related to leases and services are typically met by cash generated from our operations. The Company does not have any obligation to repay long-term debt within the next three years other than \$65 million in principal amount of Senior Notes maturing on June 1, 2026. The Company intends to repay the Senior Notes with dividends made to the Company from the Bank or from funds received through the issuance of new debt or sales of stock.

At December 31, 2024, the Bank had available borrowing capacity of \$1.3 billion from the FHLB, \$1.6 billion from the FRBSF and \$1.0 billion under borrowing lines established with other financial institutions. We believe that our current unrestricted cash and cash equivalents, cash flows from operations and borrowing capacity will be sufficient to meet our liquidity needs for at least the next 12 months. We are currently not aware of any other trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in our liquidity increasing or decreasing in any material way that will impact our liquidity needs during or beyond the next 12 months.

Cash Flows

For 2024 and 2023, cash and cash equivalents increased \$190.9 million and \$142.8 million, respectively. As a banking institution, the Company has extensive access to liquidity. As excess liquidity can reduce the Company's earnings and returns, the Company manages its cash positions to minimize the level of excess liquidity and does not attempt to maximize the level of cash and cash equivalents. The following discussion highlights the major activities and transactions that affected our cash flows during these periods.

Cash flows from operating activities

The Company's operating assets and liabilities are used to support our lending activities, including the origination and sale of mortgage loans. For 2024, \$46 million of cash was used in operating activities primarily due to our net loss for the year, excluding the impact of the \$88.8 million loss on the sale of \$990 million of multifamily loans, the net proceeds of which are included in investing activities. For 2023, cash of \$8 million was provided by operating activities.

Cash flows from investing activities

The Company's investing activities are primarily related to investment securities and LHFI. For 2024, cash of \$1.3 billion was provided by investing activities primarily from proceeds from the sale of \$990 million of multifamily loans, principal repayments on AFS investment securities, LHFI repayments in excess of originations and net FHLB stock sales. For 2023, cash of \$484 million was provided by investing activities primarily from the cash acquired from an acquisition of branches and the related deposits, principal repayments on AFS investment securities and LHFI repayments in excess of originations, partially offset by the purchase of AFS investments securities and net FHLB stock purchases.

Cash flows from financing activities

The Company's financing activities are primarily related to deposits, net proceeds from borrowings and equity transactions. For 2024, cash of \$1.1 billion was used in financing activities primarily due to a net decrease in long-term and short-term

borrowings, which was generated from the sale of \$990 million of multifamily loans and decreases in deposits. For 2023, cash of \$349 million was used in financing activities primarily due to decreases in deposits and dividends paid on our common stock, partially offset by a net increase in long-term and short-term borrowings.

Capital Resources and Dividends

The capital rules applicable to United States based bank holding companies and federally insured depository institutions ("Capital Rules") require the Company (on a consolidated basis) and the Bank (on a stand-alone basis) to meet specific capital adequacy requirements that, for the most part, involve quantitative measures, primarily in terms of the ratios of their capital to their assets, liabilities, and certain off-balance sheet items, calculated under regulatory accounting practices. In addition, prompt corrective action regulations place a federally insured depository institution, such as the Bank, into one of five capital categories on the basis of its capital ratios: (i) well capitalized; (ii) adequately capitalized; (iii) undercapitalized; (iv) significantly undercapitalized; or (v) critically undercapitalized. A depository institution's primary federal regulatory agency may determine that, based on certain qualitative assessments, the depository institution should be assigned to a lower capital category than the one indicated by its capital ratios. At each successive lower capital category, a depository institution is subject to greater operating restrictions and increased regulatory supervision by its federal bank regulatory agency.

The following tables set forth the capital and capital ratios of HomeStreet Inc. (on a consolidated basis) and HomeStreet Bank as of the dates indicated below, as compared to the respective regulatory requirements applicable to them:

(dollars in thousands)	At December 31, 2024					
	Actual		For Minimum Capital Adequacy Purposes		To Be Categorized As "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeStreet, Inc.						
Tier 1 leverage capital (to average assets) ⁽¹⁾	\$ 537,057	5.77 %	\$ 372,319	4.0 %	NA	NA
Common equity tier 1 capital (to risk-weighted assets)	477,057	8.62 %	249,109	4.5 %	NA	NA
Tier 1 risk-based capital (to risk-weighted assets)	537,057	9.70 %	332,145	6.0 %	NA	NA
Total risk-based capital (to risk-weighted assets)	677,225	12.23 %	442,860	8.0 %	NA	NA
HomeStreet Bank						
Tier 1 leverage capital (to average assets) ⁽¹⁾	\$ 678,869	7.30 %	\$ 372,132	4.0 %	\$ 465,165	5.0 %
Common equity tier 1 capital (to risk-weighted assets)	678,869	12.27 %	249,000	4.5 %	359,667	6.5 %
Tier 1 risk-based capital (to risk-weighted assets)	678,869	12.27 %	332,001	6.0 %	442,667	8.0 %
Total risk-based capital (to risk-weighted assets)	720,498	13.02 %	442,667	8.0 %	553,334	10.0 %

- (1) Due to the timing of our loan sale at the end of December 2024, our Tier 1 leverage regulatory capital ratios, which are based on average assets for the quarter, were temporarily suppressed. If the \$990 million loan sale had occurred at the beginning of the fourth quarter, average assets for the fourth quarter for the Company and the Bank would have been approximately \$8.3 billion and the Tier 1 leverage ratio for the Company and the Bank as of December 31, 2024 would have been approximately 6.45% and 8.15%, respectively.

(dollars in thousands)	At December 31, 2023					
	Actual		For Minimum Capital Adequacy Purposes		To Be Categorized As "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeStreet, Inc.						
Tier 1 leverage capital (to average assets)	\$ 675,440	7.04 %	\$ 383,696	4.0 %	NA	NA
Common equity tier 1 capital (to risk-weighted assets)	615,440	9.66 %	286,709	4.5 %	NA	NA
Tier 1 risk-based capital (to risk-weighted assets)	675,440	10.60 %	382,279	6.0 %	NA	NA
Total risk-based capital (to risk-weighted assets)	818,075	12.84 %	509,705	8.0 %	NA	NA
HomeStreet Bank						
Tier 1 leverage capital (to average assets)	\$ 814,719	8.50 %	\$ 383,482	4.0 %	\$ 479,352	5.0 %
Common equity tier 1 capital (to risk-weighted assets)	814,719	12.79 %	286,569	4.5 %	413,933	6.5 %
Tier 1 risk-based capital (to risk-weighted assets)	814,719	12.79 %	382,092	6.0 %	509,456	8.0 %
Total risk-based capital (to risk-weighted assets)	858,992	13.49 %	509,456	8.0 %	636,820	10.0 %

At each of the dates set forth in the above table, the Company exceeded the minimum required capital ratios applicable to it and the Bank's capital ratios exceeded the minimums necessary to qualify as a well-capitalized depository institution under the prompt corrective action regulations. In addition to the minimum capital ratios, both the Company and the Bank are required to maintain a "conservation buffer" consisting of additional Common Equity Tier 1 Capital which is at least 2.5% above the required minimum levels in order to avoid limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses. The required ratios for capital adequacy set forth in the above table do not include the Capital Rules' additional capital conservation buffer, though each of the Company and the Bank maintained capital ratios necessary to satisfy the capital conservation buffer requirements as of the dates indicated. At December 31, 2024, capital conservation buffers for the Company and the Bank were 3.70% and 5.02%, respectively.

The Company did not pay any cash dividends in 2024 and currently does not plan to pay quarterly dividends in 2025. The amount and declaration of future cash dividends are subject to approval by our Board of Directors and certain statutory requirements and regulatory restrictions.

We had no material commitments for capital expenditures as of December 31, 2024.

Accounting Developments

See Financial Statements and Supplementary Data - Note 1, *Summary of Significant Accounting Policies* for a discussion of accounting developments.

Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with GAAP, we use certain non-GAAP measures of financial performance. In this Form 10-K, we use the following non-GAAP measures: (i) tangible common equity and tangible assets as we believe this information is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of capital ratios; (ii) core net income (loss) and effective tax rate on core net income (loss) before taxes, which excludes the loss on the sale of \$990 million of multifamily loans due to the unusual nature and size of the loan sale, the deferred tax asset valuation allowance because it is a significant unusual item, goodwill impairment charges because they were an unusual nonrecurring item, loss on debt extinguishment and merger related expenses and the related tax impact as we believe this measure is a better comparison to be used for projecting future results; and (iii) an efficiency ratio which is the ratio of noninterest expense to the sum of net interest income and noninterest income, excluding certain items of income or expense considered non-core and excluding taxes incurred and payable to the state of Washington as such taxes are not classified as income taxes and we believe including them in noninterest expense impacts the comparability of our results to those companies whose operations are in states where assessed taxes on business are classified as income taxes.

These supplemental performance measures may vary from, and may not be comparable to, similarly titled measures provided by other companies in our industry. Non-GAAP financial measures are not in accordance with, or an alternative for, GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company's performance that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. A non-GAAP financial measure may also be a financial metric that is not required by GAAP or other applicable requirements.

We believe that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding our performance by providing additional information used by management that is not otherwise required by GAAP or other applicable requirements. Our management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing our operating results and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate a comparison of our performance to prior periods. We believe these measures are frequently used by securities analysts, investors and other parties in the evaluation of companies in our industry. These non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP. In the information below, we have provided reconciliations of, where applicable, the most comparable GAAP financial measures to the non-GAAP measures used in this Form 10-K, or a calculation of the non-GAAP financial measure.

Reconciliations of non-GAAP results of operations to the nearest comparable GAAP measures or the calculation of the non-GAAP financial measures

(in thousands, except ratio)	For the Year Ended	
	2024	2023
Core net income (loss)		
Net income (loss)	\$ (144,344)	\$ (27,508)
Adjustments (tax effected)		
Loss on loan sale	67,058	—
Merger related expenses	2,674	1,170
Loss on debt extinguishment	353	—
Goodwill impairment charge	—	34,622
Deferred tax valuation allowance	53,310	—
Total	\$ (20,949)	\$ 8,284
Core net income (loss) per fully diluted share		
Fully diluted shares	18,857,392	18,783,005
Computed amount	\$ (1.11)	\$ 0.44
Return on average tangible equity - Core		
Average shareholders' equity	\$ 530,360	\$ 552,234
Less: Average goodwill and other intangibles	(8,476)	(25,695)
Average tangible equity	\$ 521,884	\$ 526,539
Core net income	\$ (20,949)	\$ 8,284
Adjustments (tax effected):		
Amortization on core deposit intangibles	1,950	2,302
Tangible income applicable to shareholders	\$ (18,999)	\$ 10,586
Ratio	(3.6)%	2.0 %
Return on average equity - Core		
Average shareholders' equity (per above)	\$ 530,360	\$ 552,234
Core net income (loss) (per above)	(20,949)	8,284
Ratio	(3.9)%	1.5 %
Efficiency ratio		
Noninterest expense		
Total	\$ 196,214	\$ 241,872
Adjustments:		
Merger related expenses	(3,428)	(1,500)
Loss on debt extinguishment	(452)	—
Goodwill Impairment charge	—	(39,857)
State of Washington taxes	(1,510)	(994)
Adjusted total	\$ 190,824	\$ 199,521
Total revenues		
Net interest income	\$ 120,087	\$ 166,753
Noninterest income	(44,385)	41,921
Loss on loan sale	88,818	—
Total	\$ 164,520	\$ 208,674
Ratio	116.0 %	95.6 %
Return on Average assets - Core		
Average Assets	\$ 9,259,233	\$ 9,469,170
Core net income (loss) - per above	(20,949)	8,284
Ratio	(0.23)%	0.09 %
Effective tax rate used in computations above ⁽¹⁾	22.0 %	22.0 %

(in thousands, except share data)	As of December 31,	
	2024	2023
Tangible book value per share		
Shareholders' equity	\$ 396,997	\$ 538,387
Less: other intangibles	(7,141)	(9,641)
Tangible shareholder's equity	\$ 389,856	\$ 528,746
Common shares outstanding	18,857,565	18,810,055
Computed amount	\$ 20.67	\$ 28.11
Tangible common equity to tangible assets		
Tangible shareholder's equity (per above)	\$ 389,856	\$ 528,746
Tangible assets		
Total assets	\$ 8,123,698	\$ 9,392,450
Less: Other intangibles	(7,141)	(9,641)
Net	\$ 8,116,557	\$ 9,382,809
Ratio	4.8 %	5.6 %

(1) Effective tax rate indicated is used for all adjustments except the loss on loan sale and the goodwill impairment charge. A computed effective rate of 13.1% was used for the goodwill impairment charge as a portion of this charge was not deductible for tax purposes. The gross effective tax rate of 24.5% was used for the loss on loan sale due to the large size of the loss in relation to permanent differences that could impact our gross effective rate.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Management

Market risk is defined as the sensitivity of income, fair value measurements and capital to changes in interest rates, foreign currency exchange rates, commodity prices and other relevant market rates or prices. The primary market risks that we are exposed to are price and interest rate risks. Price risk is defined as the risk to current or anticipated earnings or capital arising from changes in the value of either assets or liabilities that are entered into as part of distributing or managing risk. Interest rate risk is defined as risk to current or anticipated earnings or capital arising from movements in interest rates.

For the Company, price and interest rate risks arise from the financial instruments and positions we hold. This includes loans, MSR's, investment securities, deposits, borrowings, long-term debt and derivative financial instruments. Due to the nature of our current operations, we are not subject to foreign currency exchange or commodity price risk. Our real estate loan portfolio is subject to risks associated with the local economies of our various markets, in particular, the regional economy of the western United States, including Hawaii.

The spread between the yield on interest-earning assets and the cost of interest-bearing liabilities and the relative dollar amounts of these assets and liabilities are the principal items affecting net interest income. Changes in net interest rates (interest rate risk) are influenced to a significant degree by the repricing characteristics of assets and liabilities (timing risk), the relationship between various rates (basis risk), customer options (option risk) and changes in the shape of the yield curve (time-sensitive risk). We manage the available-for-sale investment securities portfolio while maintaining a balance between risk and return. The Company's funding strategy is to grow core deposits while we efficiently supplement using wholesale borrowings.

We estimate the sensitivity of our net interest income to changes in market interest rates using an interest rate simulation model that includes assumptions related to the level of balance sheet growth, deposit repricing characteristics and the rate of prepayments for multiple interest rate change scenarios. Interest rate sensitivity depends on certain repricing characteristics in our interest-earnings assets and interest-bearing liabilities, including the maturity structure of assets and liabilities and their repricing characteristics during the periods of changes in market interest rates. Effective interest rate risk management seeks to ensure both assets and liabilities respond to changes in interest rates within an acceptable timeframe, minimizing the impact of interest rate changes on net interest income and capital. Interest rate sensitivity is measured as the difference between the volume of assets and liabilities, at a point in time, that are subject to repricing at various time horizons, known as interest rate sensitivity gaps.

The following table presents sensitivity gaps for these different intervals:

		December 31, 2024							
(dollars in thousands)	3 Mos. or Less	More Than 3 Mos. to 6 Mos.	More Than 6 Mos. to 12 Mos.	More Than 12 Mos. to 3 Yrs.	More Than 3 Yrs. to 5 Yrs.	More Than 5 to 15 Yrs.	More Than 15 Yrs.	Non-Rate- Sensitive	Total
Interest-earning assets									
Cash & cash equivalents	\$ 406,600	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 406,600
FHLB Stock	45,049	—	—	—	—	—	5,627	—	50,676
Investment securities	139,077	95,026	69,091	110,144	133,929	496,921	12,818	—	1,057,006
LHFS	20,312	—	—	—	—	—	—	—	20,312
LHFI ⁽¹⁾	1,267,949	413,055	576,358	1,708,257	1,418,040	777,129	71,008	—	6,231,796
Total	1,878,987	508,081	645,449	1,818,401	1,551,969	1,274,050	89,453	—	7,766,390
Noninterest-earning assets									
Total assets	\$ 1,878,987	\$ 508,081	\$ 645,449	\$ 1,818,401	\$ 1,551,969	\$ 1,274,050	\$ 89,453	\$ 357,308	\$ 8,123,698
Interest-bearing liabilities									
Demand deposit accounts ⁽²⁾	\$ 323,112	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 323,112
Savings accounts ⁽²⁾	229,659	—	—	—	—	—	—	—	229,659
Money market accounts ⁽²⁾	1,396,697	—	—	—	—	—	—	—	1,396,697
Certificates of deposit	1,573,626	1,061,767	521,900	107,826	2,653	—	—	—	3,267,772
FHLB advances	—	—	450,000	550,000	—	—	—	—	1,000,000
Long-term debt ⁽³⁾	60,397	—	—	164,734	—	—	—	—	225,131
Total	3,583,491	1,061,767	971,900	822,560	2,653	—	—	—	6,442,371
Noninterest-bearing liabilities									
Shareholders' Equity	—	—	—	—	—	—	—	1,284,330	1,284,330
Total liabilities and shareholders' equity	\$ 3,583,491	\$ 1,061,767	\$ 971,900	\$ 822,560	\$ 2,653	\$ —	\$ —	\$ 1,681,327	\$ 8,123,698
Interest sensitivity gap	\$ (1,704,504)	\$ (553,686)	\$ (326,451)	\$ 995,841	\$ 1,549,316	\$ 1,274,050	\$ 89,453		
Cumulative interest rate sensitivity gap									
Total	\$ (1,704,504)	\$ (2,258,190)	\$ (2,584,641)	\$ (1,588,800)	\$ (39,484)	\$ 1,234,566	\$ 1,324,019		
As a % of total assets	(21)%	(28)%	(32)%	(20)%	—%	15%	16%		
As a % of cumulative interest-bearing liabilities	52%	51%	54%	75%	99%	119%	121%		

(1) Based on contractual maturities, repricing dates and forecasted principal payments assuming normal amortization and, where applicable, prepayments.

(2) Assumes 100% of interest-bearing non-maturity deposits are subject to repricing in three months or less.

(3) Based on contractual maturity.

As of December 31, 2024, the Company is considered liability sensitive as exhibited by the gap table above and our net interest income sensitivity analysis.

Changes in the mix of interest-earning assets or interest-bearing liabilities can either increase or decrease the net interest margin, without affecting interest rate sensitivity. In addition, the interest rate spread between an earning asset and its funding liability can vary significantly, while the timing of repricing for both the asset and the liability remains the same, thereby impacting net interest income. This characteristic is referred to as basis risk. Varying interest rate environments can create unexpected changes in prepayment levels of assets and liabilities that are not reflected in the interest rate sensitivity analysis. These prepayments may have a significant impact on our net interest margin. Because of these factors, an interest sensitivity gap analysis may not provide an accurate assessment of our actual exposure to changes in interest rates.

The estimated impact on our net interest income over a time horizon of one year and the change in net portfolio value as of December 31, 2024 and 2023 are provided in the table below. For the scenarios shown, the interest rate simulation assumes an instantaneous and sustained shift in market interest rates and no change in the composition or size of the balance sheet.

Change in Interest Rates (basis points) ⁽¹⁾	December 31, 2024		December 31, 2023	
	Percentage Change			
	Net Interest Income ⁽²⁾	Net Portfolio Value ⁽³⁾	Net Interest Income ⁽²⁾	Net Portfolio Value ⁽³⁾
+300	(4.0)%	(14.5)%	(15.4)%	(23.8)%
+200	(1.5)%	(6.6)%	(9.4)%	(13.9)%
+100	(0.5)%	(2.6)%	(4.2)%	(5.9)%
-100	0.3 %	(0.2)%	3.5 %	1.9 %
-200	0.1 %	(3.8)%	6.6 %	1.0 %
-300	— %	(12.3)%	10.9 %	(6.7)%

(1) For purposes of our model, we assume interest rates will not go below zero. This "floor" limits the effect of a potential negative interest rate shock in a low rate environment.

(2) This percentage change represents the impact to net interest income for a one-year period, assuming there is no change in the structure of the balance sheet.

(3) This percentage change represents the impact to the net present value of equity, assuming there is no change in the structure of the balance sheet.

The reduced levels of interest rate sensitivity between December 31, 2024 and 2023 reflect the effect of selling \$990 million of multifamily loans at the end of the fourth quarter of 2024 which resulted in a lower balance of fixed-rate assets and adjustable rate borrowings. Some of the assumptions made in the simulation model may not materialize and unanticipated events and circumstances will occur. We do not allow for negative rate assumptions in our model, but actual results in extreme interest rate decline scenarios may result in negative rate assumptions which may cause the modeling results to be inherently unreliable. In addition, the simulation model does not take into account any future actions that we could undertake to mitigate an adverse impact due to changes in interest rates from those expected, in the actual level of market interest rates or competitive influences on our deposits.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and the Board of Directors of HomeStreet, Inc.
Seattle, Washington

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of HomeStreet, Inc. and the Subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework: (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for Credit Losses for Loans Held for Investment – Economic Qualitative Factor – Refer to Notes 1 and 3 to the financial statements

The Company accounts for its allowance for credit losses (“ACL”) on loans held for investment in accordance with Accounting Standards Codification Topic 326: Financial Instruments – Credit Losses, which requires the measurement of the current expected credit losses for financial assets held at the reporting date. The ACL is a valuation account that is deducted from the amortized cost basis to present the net amount expected to be collected on the loans. Management estimates the ACL balance using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. As of December 31, 2024, the Company’s consolidated allowance for credit losses on loans was \$38,743,000 and there was no provision for credit losses on loans for the year then ended.

The Company’s ACL model uses statistical analysis to determine life of loan default rates for the quantitative component and analyzes qualitative factors (“Q-Factors”) that assess the current loan portfolio and forecasted economic environment. The Q-Factors adjust the expected historic loss rates for current and forecasted conditions that are not provided for in the historical loss information. The Q-Factors require management to make significant judgment about the assumptions that are inherently uncertain. The significant qualitative adjustment relates to the economic Q-Factor.

We identified auditing of the qualitative adjustment for the economic Q-Factor as a critical audit matter because of the significant judgments applied by management in determining the qualitative adjustment. In addition, auditing the Company’s qualitative adjustment for the economic Q-Factor required a high degree of auditor judgment and an increased extent of effort.

The primary audit procedures we performed to address this critical audit matter included the following:

- Tested the design and operating effectiveness of controls over Q-Factor adjustments within the ACL model, including controls addressing:
 - Management’s review of the reasonableness of assumptions and judgments, including the qualitative risk adjustments used to derive the economic Q-Factor.
 - Management’s review of the calculation of Q-Factor adjustments, including the application of the economic Q-Factor.
 - Management’s evaluation of the relevance and reliability of data utilized in the calculation of the economic Q-Factor.
- Tested the mathematical accuracy of economic Q-Factor adjustments within the ACL model.
- Tested the relevance and reliability of the data used in the determination of economic Q-Factor adjustments.
- Evaluated the reasonableness of management’s assumptions and judgments used in the determination of the economic Q-Factor adjustments and the resulting allocation to the qualitative allowance for the ACL on loans.

Single Family Mortgage Servicing Rights — Projected Prepayment Speed and Discount Rate Assumptions — Refer to Notes 1, 9, and 13 to the financial statements

The Company initially records, and subsequently measures, single family mortgage servicing rights (“MSRs”) at fair value and categorizes its single family MSRs as “Level 3” financial instruments. Changes in the fair value of single family MSRs result from changes in (1) model inputs and assumptions and (2) modeled amortization, representing the collection and realization of expected cash flows and curtailments over time. The model inputs used to estimate the fair value of single family MSRs include assumptions regarding projected prepayment speeds and discount rates. The Company’s methodology for estimating the fair value of single family MSRs is highly sensitive to changes in these assumptions.

We identified the auditing of the projected prepayment speed and discount rate assumptions used in the single family MSRs valuation as a critical audit matter because of the significant judgment applied by management in evaluating these assumptions. In addition, auditing the Company’s single family MSRs valuation required a high degree of auditor judgment and an increased

extent of effort, including the need to involve third party fair value specialists to evaluate the reasonableness of management's assumptions related to the selection of projected prepayment speeds and discount rates used in the valuation of the single family MSR's.

The primary audit procedures we performed to address this critical audit matter included the following:

- Tested the design and operating effectiveness of controls related to the appropriateness of the fair value of single family MSR's, including management's review of the projected prepayment speeds and discount rates.
- Compared management's estimate of fair value of single family MSR's to a fair value estimate independently determined by a third party fair value specialist using projected prepayment speeds and discount rates obtained from market survey data.

By: /s/ Crowe LLP

We have served as the Company's auditor since 2023.

Los Angeles, California

March 7, 2025

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	At December 31,	
	2024	2023
<u>ASSETS</u>		
Cash and cash equivalents	\$ 406,600	\$ 215,664
Investment securities	1,057,006	1,278,268
Loans held for sale ("LHFS")	20,312	19,637
Loans held for investment ("LHFI") (net of allowance for credit losses of \$38,743 and \$40,500)	6,193,053	7,382,404
Mortgage servicing rights ("MSRs")	99,466	104,236
Premises and equipment, net	47,201	53,582
Other real estate owned ("OREO")	2,820	3,667
Intangible assets	7,141	9,641
Other assets	290,099	325,351
Total assets	<u>\$ 8,123,698</u>	<u>\$ 9,392,450</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 6,413,021	\$ 6,763,378
Borrowings	1,000,000	1,745,000
Long-term debt	225,131	224,766
Accounts payable and other liabilities	88,549	120,919
Total liabilities	<u>7,726,701</u>	<u>8,854,063</u>
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Common stock, no par value, authorized 160,000,000 shares; issued and outstanding, 18,857,565 shares and 18,810,055 shares	233,185	229,889
Retained earnings	251,013	395,357
Accumulated other comprehensive income (loss)	(87,201)	(86,859)
Total shareholders' equity	<u>396,997</u>	<u>538,387</u>
Total liabilities and shareholders' equity	<u>\$ 8,123,698</u>	<u>\$ 9,392,450</u>

See accompanying notes to consolidated financial statements.

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

(in thousands, except share and per share data)	Years Ended December 31,	
	2024	2023
Interest income:		
Loans	\$ 346,691	\$ 341,255
Investment securities	39,576	49,615
Cash, Fed Funds and other	16,306	8,873
Total interest income	402,573	399,743
Interest expense:		
Deposits	174,252	137,920
Borrowings	108,234	95,070
Total interest expense	282,486	232,990
Net interest income	120,087	166,753
Provision for credit losses	—	(441)
Net interest income after provision for credit losses	120,087	167,194
Noninterest income (loss):		
Net gain (loss) on loan origination and sale activities	(76,890)	9,346
Loan servicing income	12,497	12,648
Deposit fees	8,838	10,148
Other	11,170	9,779
Total noninterest income (loss)	(44,385)	41,921
Noninterest expense:		
Compensation and benefits	107,424	111,064
Information services	29,872	29,901
Occupancy	21,719	22,241
General, administrative and other	37,199	38,809
Goodwill impairment	—	39,857
Total noninterest expense	196,214	241,872
Income (loss) before income taxes	(120,512)	(32,757)
Income tax (benefit) expense	23,832	(5,249)
Net income (loss)	\$ (144,344)	\$ (27,508)
Net income (loss) per share		
Basic	\$ (7.65)	\$ (1.46)
Diluted	\$ (7.65)	\$ (1.46)
Weighted average shares outstanding:		
Basic	18,857,392	18,783,005
Diluted	18,857,392	18,783,005

See accompanying notes to consolidated financial statements.

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)	Years Ended December 31,	
	2024	2023
Net income (loss)	\$ (144,344)	\$ (27,508)
Other comprehensive income (loss):		
Unrealized gain (loss) on investment securities available for sale ("AFS")	(115)	15,535
Reclassification for net (gains) losses included in income	—	(3)
Other comprehensive income (loss) before tax	(115)	15,532
Income tax impact of:		
Unrealized gain (loss) on investment securities AFS	227	2,862
Reclassification for net (gains) losses included in income	—	(1)
Total	227	2,861
Other comprehensive income (loss)	(342)	12,671
Total comprehensive income (loss)	\$ (144,686)	\$ (14,837)

See accompanying notes to consolidated financial statements.

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except share data)	Number of shares	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance, December 31, 2022	18,730,380	\$ 226,592	\$ 435,085	\$ (99,530)	\$ 562,147
Net income (loss)	—	—	(27,508)	—	(27,508)
Share-based compensation expense	—	3,613	—	—	3,613
Common stock issued - Stock grants	92,769	—	—	—	—
Other comprehensive income	—	—	—	12,671	12,671
Dividends declared (\$0.65 per share)	—	—	(12,220)	—	(12,220)
Common stock repurchased ⁽¹⁾	(13,094)	(316)	—	—	(316)
Balance, December 31, 2023	18,810,055	229,889	395,357	(86,859)	538,387
Net income (loss)	—	—	(144,344)	—	(144,344)
Share-based compensation expense	—	3,430	—	—	3,430
Common stock issued - Stock grants	60,483	—	—	—	—
Other comprehensive income (loss)	—	—	—	(342)	(342)
Common stock repurchased ⁽¹⁾	(12,973)	(134)	—	—	(134)
Balance, December 31, 2024	18,857,565	\$ 233,185	\$ 251,013	\$ (87,201)	\$ 396,997

1) These amounts represent shares withheld from stock grants to pay for individual employee taxes on their stock grants.

See accompanying notes to consolidated financial statements.

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Years Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (144,344)	\$ (27,508)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Goodwill impairment charge	—	39,857
Provision for credit losses	—	(441)
Loss on sale of \$990 million of multifamily loans	88,618	—
Depreciation and amortization, premises and equipment	6,580	7,146
Amortization of premiums and discounts: investment securities, deposits, debt	2,689	357
Operating leases: excess of payments over amortization	(3,101)	(3,145)
Amortization of finance leases	181	425
Amortization of core deposit intangibles	2,500	2,951
Amortization of deferred loan fees and costs	(287)	(1,039)
Share-based compensation expense	3,430	3,613
Lease abandonment costs	1,064	—
Deferred income tax (benefit) expense	17,943	(9,129)
Loss on debt extinguishment	452	—
Origination of LHFS	(517,998)	(362,453)
Proceeds from sale of LHFS	521,128	363,327
Net fair value adjustment and gain on sale of LHFS	(2,635)	(676)
Origination of MSRs	(5,599)	(3,645)
Change in fair value of MSRs	4,757	5,964
Amortization of servicing rights	5,612	5,778
Net fair value adjustment, gain on sale and provision for losses on other real estate owned	180	(975)
Net decrease (increase) in trading securities	(10,046)	(5,695)
Decrease (increase) in other assets	10,862	(44,386)
Increase (decrease) in accounts payable and other liabilities	(27,907)	37,698
Net cash provided by (used in) operating activities	(45,921)	8,024
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	—	(53,232)
Proceeds from sale of investment securities	—	4,693
Principal payments on investment securities	229,556	192,555
Proceeds from sale of OREO	126	2,972
Proceeds from sale of \$990 million of multifamily loans	905,625	—
Net decrease in LHFI, excluding sale of \$990 million of multifamily loans	194,086	18,958
Purchases of premises and equipment	(490)	(3,811)
Net cash received from acquisitions of branches	—	327,901
Proceeds from sale of Federal Home Loan Bank stock	305,113	222,814
Purchases of Federal Home Loan Bank stock	(300,496)	(228,802)
Net cash provided by investing activities	1,333,520	484,048

(in thousands)	Years Ended December 31,	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in deposits, net	\$ (351,043)	\$ (1,065,463)
Changes in short-term borrowings, net	(100,000)	84,000
Proceeds from other long-term borrowings	510,000	1,180,000
Repayment of other long-term borrowings	(1,155,452)	(535,000)
Repayment of finance lease principal	(168)	(456)
Dividends paid on common stock	—	(12,317)
Net cash used in financing activities	<u>(1,096,663)</u>	<u>(349,236)</u>
Net increase in cash and cash equivalents	190,936	142,836
Cash and cash equivalents, beginning of year	215,664	72,828
Cash and cash equivalents, end of year	<u>\$ 406,600</u>	<u>\$ 215,664</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 298,498	\$ 217,132
Federal and state income taxes (net refunds)	(637)	(5,287)
Non-cash activities:		
LHFI foreclosed and transferred to OREO	—	3,576
Loans transferred from LHFI to LHFS, net	1,170	2,507
Ginnie Mae loans derecognized with the right to repurchase, net	506	1,301
New investments in low income housing tax credit partnerships ("LIHTC")	—	15,000
LIHTC amortization	5,684	4,732
Repurchase of common stock - award shares	134	316
Acquisition:		
Loans acquired	—	21,197
Premises and equipment and other assets	—	5,845
Liabilities assumed	—	377,412
Goodwill and other intangibles	—	22,469

See accompanying notes to consolidated financial statements.

HomeStreet, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Business

HomeStreet, Inc., a State of Washington corporation organized in 1921 (the "Corporation"), is a Washington-based diversified financial services holding company whose operations are primarily conducted through its wholly owned subsidiaries (collectively the "Company") HomeStreet Statutory Trusts and HomeStreet Bank (the "Bank"), and the Bank's subsidiaries, Continental Escrow Company, HS Properties, Inc., HS Evergreen Corporate Center LLC, and Union Street Holdings LLC. The Company is principally engaged in commercial banking, mortgage banking and consumer/retail banking activities serving customers primarily in the Western United States.

The Bank, the Company's principal operating subsidiary, was incorporated in the State of Washington in 1986, and, as a state-chartered non-member commercial bank, is subject to examination by the State of Washington Department of Financial Institutions and the Federal Deposit Insurance Corporation ("FDIC").

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ significantly from those estimates.

Segments

Our chief operating decision maker ("CODM"), the Chief Executive Officer, manages the Company's business activities as one single operating and reportable segment at the consolidated level. Accordingly, our CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes net interest income, noninterest income and noninterest expenses (compensation and benefits, information services, occupancy and general, administrative and other) at the consolidated level to manage the Company's operations.

Reclassifications

Certain amounts in the financial statements from prior periods have been reclassified to conform to the current financial statement presentation. These reclassifications had no effect on prior years' net income or stockholders' equity.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash, due from banks, certificates of deposits with original maturities of less than ninety days, investment securities with original maturities of less than ninety days, money market funds and federal funds sold. The Bank maintains most of its excess cash at the Federal Reserve Bank of San Francisco ("FRBSF"), with well-capitalized correspondent banks or with other depository institutions at amounts less than the FDIC insured limits. Restricted cash of \$6.5 million and \$6.4 million at December 31, 2024 and 2023, respectively, is included in cash and cash equivalents.

Investment Securities

Investment securities for which the Company has the positive intent and ability to hold to maturity are reported at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity. Investments not classified as trading securities nor as held-to-maturity ("HTM") securities are classified as AFS securities and recorded at fair value. Unrealized gains or losses on AFS securities are excluded from net income and reported net of taxes as a separate component of other comprehensive income included in shareholders' equity. Purchase premiums and discounts are recognized in interest income using the effective interest method over the contractual life of the securities. Purchase premiums or discounts related to mortgage-backed securities are amortized or accreted using projected prepayment speeds. Gains and losses on the sale of AFS and trading securities are recorded on the trade date and are determined using the specific identification method.

Trading securities, consisting of US Treasury notes, are used as economic hedges of our mortgage servicing rights, which are carried at fair value and included as investment securities on the balance sheet. Net gain or loss on trading securities are included in loan servicing income in the consolidated income statements.

The Company evaluates AFS securities in an unrealized loss position at the end of each quarter to determine whether the decline in value is temporary or permanent. An unrealized loss exists when the fair value of an individual security is less than its amortized cost basis. When qualitative factors indicate that a credit loss may exist, the Company compares the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. The Company recognizes an allowance for credit loss ("ACL") if a loss is determined to exist, measured as the difference between the present value of expected cash flows and the amortized cost basis of the security, limited by the amount that the security's fair value is less than its amortized cost basis. The Company does not believe any of these securities that were in an unrealized loss position at December 31, 2024 or 2023 have a credit loss impairment.

The Company evaluates HTM securities at the end of each quarter to determine if any expected credit losses exist. The Company does not believe any expected credit losses existed for these securities as of December 31, 2024 and 2023.

Federal Home Loan Bank Stock

The Bank is a member of the Federal Home Loan Bank of Des Moines ("FHLB"), and as such, is required to own a certain amount of FHLB stock based on the level of borrowings and other factors. FHLB stock is carried at cost and periodically evaluated for impairment based on ultimate recovery of par value. Cash dividends accrued on FHLB stock are recorded as a component of interest income.

LHFS

Loans originated for sale in the secondary market or designated for whole loan sales are classified as LHFS. Management has elected the fair value option for all single family LHFS (originated with the intent to market for sale) and records these loans at fair value. Gains and losses from changes in fair value on LHFS are recognized in net gain on mortgage loan origination and sale activities within noninterest income. Direct loan origination costs and fees for single family loans originated as held for sale are recognized as noninterest expenses.

Multifamily and Small Business Administration ("SBA") LHFS are accounted for at the lower of amortized cost or fair value ("LOCOM"). LOCOM valuations are performed quarterly or at the time of transfer to or from LHFS. Related gains and losses are recognized in net gain on mortgage loan origination and sale activities. Direct loan origination costs and fees for multifamily and SBA loans classified as held for sale are deferred at origination and recognized in gain on sale in earnings at the time of sale.

LHFI

LHFI are reported at the principal amount outstanding, net of cumulative charge-offs, interest applied to principal (for loans accounted for using the cost recovery method), unamortized net deferred loan origination fees and costs and unamortized premiums or discounts on purchased loans. When a loan is designated as held for investment, the intent is to hold these loans for the foreseeable future or until maturity or pay-off. If subsequent changes occur as part of the balance sheet management process, the Company may decide to sell loans classified as LHFI. Any such loans held for an extended period before they are sold are transferred to LHFS and carried at the lower of amortized cost or fair value. Interest on loans is recognized at the contractual rate of interest and is only accrued if deemed collectible. Deferred fees and costs and premiums and discounts are amortized over the contractual terms of the underlying loans using the interest method or straight-line method.

Nonaccrual Loans

Loans for which the accrual of interest has been discontinued are designated as nonaccrual loans. Loans are placed on nonaccrual status when the full and timely collection of principal and interest is doubtful, generally when the loan becomes 90 days or more past due for principal or interest payment or if part of the principal balance has been charged off. When loans are placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. All payments received on nonaccrual loans are accounted for using the cost recovery method. Under the cost recovery method, all cash collected is applied first to reduce the outstanding principal balance. Generally, a loan may be returned to accrual status if all delinquent principal and interest payments are brought current and the collectability of the remaining principal and interest payments in accordance with the loan agreement is reasonably assured. Loans whose repayments are insured by the Federal Housing Administration ("FHA"), guaranteed by the Department of Veterans' Affairs ("VA") or Ginnie Mae ("GNMA") are maintained on accrual status even if 90 days or more past due.

Modifications to Borrowers Experiencing Financial Difficulty ("MBFD")

The Company provides MBFDs which may include other than insignificant delays in payment of amounts due, extension of the terms of the notes or reduction in the interest rates on the notes. In certain instances, the Company may grant more than one type of modification. The granting of modifications for the years ended December 31, 2024 and 2023 did not have a material impact on the ACL.

When a borrower experiences financial difficulty, we sometimes modify or restructure loans, which may include delays in payment of amounts due, forgiveness of principal, extension of the terms of the notes or a reduction in the interest rates on the notes. These loans are classified as MBFDs. MBFDs are loans modified for the purpose of alleviating temporary impairments to the borrower's financial condition or cash flows. A workout plan between us and the borrower is designed to provide a bridge for borrower cash flow shortfalls in the near term.

ACL for LHFI

The ACL for LHFI is a valuation account that is deducted from the loans amortized cost basis to present the net amount expected to be collected on the loans. Loan balances are charged off against the ACL when management believes the non-collectability of a loan balance is confirmed. Recoveries are recorded as an increase to the ACL for LHFI to the extent they do not exceed the related charge-off amounts. The ACL for LHFI, as reported in our consolidated balance sheets, is adjusted by a provision for credit losses and reduced by the charge-offs of loan amounts, net of recoveries.

Management estimates the ACL balance using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix or delinquency levels or other relevant factors.

The credit loss estimation process involves procedures to appropriately consider the unique characteristics of its two loan portfolios, the consumer loan portfolio and the commercial loan portfolio. These two portfolios are further disaggregated into loan pools, the level at which credit risk is monitored. When computing ACL levels, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history, delinquency status and other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts. Determining the appropriateness of the ACL is complex and requires judgment by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, based on the factors and forecasts then prevailing, may result in material changes in the ACL and provision for credit losses.

Credit Loss Measurement

The ACL level is influenced by current conditions related to loan volumes, loan asset quality ratings ("AQR") migration or delinquency status, historical loss experience and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. The methodology for estimating the amount of expected credit losses has two basic components: first, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics and second an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans.

The Company's ACL model methodology is to build a reserve rate using historical life of loan default rates combined with assessments of current loan portfolio information and current and forecasted economic environment and business cycle

information. The model uses statistical analysis to determine the life of loan default rates for the quantitative component and analyzes qualitative factors (Q-Factors) that assess the current loan portfolio conditions and forecasted economic environment and collateral values. Below is the general overview our ACL model.

Loans that Share Similar Risk Characteristics with Other Loans

For loans that share similar risk characteristics, loans are segregated into loan pools based on similar risk characteristics, like product types or primary source of repayment to estimate the ACL.

Historical Loss Rates

The Company analyzed loan data from a full economic cycle, to the extent that data was available, to calculate life of loan loss rates. Based on the current economic environment and available loan level data, it was determined the Loss Horizon Period ("LHP") should begin prior to the economic recession that began in 2007. The Company monitors and reviews the LHP on an annual basis to determine appropriate time frames to be included based on economic indicators.

Under current expected credit losses methodology ("CECL"), the Company groups pools of loans by similar risk characteristics. Using these pools, sub-pools are established at a more granular level incorporating delinquency status and original FICO or original LTV (for consumer loans) and risk ratings (for commercial loans). Using the pool and sub-pool structure, cohorts are established historically on a quarterly basis containing the population in these sets as of that point in time. After the establishment of these cohorts, the loans within the cohorts are then tracked from that point forward to establish long-term Probability of Default ("PD") at the sub-pool level and Loss Given Default ("LGD") for the pool level. These historical cohorts and their PD/LGD outcomes are then averaged together to establish expected PDs and LGDs for each sub-pool.

Once historical cohorts are established, the loans in the cohort are tracked moving forward for default events. The Company has defined default events as the first dollar of loss. If a loan in the cohort has experienced a default event over the LHP then the balance of the loan at the time of cohort establishment becomes part of the numerator of the PD calculation. The Loss Given Probability of Default ("LGPD") or Expected Loss ("EL") is the weighted average PD for each sub-pool cohort times the average LGD for each pool. The output from the model then is a series of EL rates for each loan sub-pool, which are applied to the related outstanding balances for each loan sub-pool to determine the ACL reserve based on historical loss rates.

Q-Factors

The Q-Factors adjust the expected historic loss rates for current and forecasted conditions that are not provided for in the historical loss information. The Company has established a methodology for adjusting historical expected loss rates based on these more recent or forecasted changes. The Q-Factor methodology is based on a blend of quantitative analysis and management judgment and reviewed on a quarterly basis.

Each of the thirteen factors in the FASB standard were analyzed for common risk characteristics and grouped into seven consolidated Q-Factors as listed below:

Qualitative Factor	Financial Instruments - Credit Losses
Portfolio Credit Quality	The borrower's financial condition, credit rating, credit score, asset quality or business prospects
	The borrower's ability to make scheduled interest or principal payments
	The volume and severity of past due financial assets and the volume and severity of adversely classified or rated financial assets
Remaining Payments	The remaining payment terms of the financial assets
	The remaining time to maturity and the timing and extent of payments on the financial assets
Volume & Nature	The nature and volume of the entity's financial assets
Collateral Values	The value of underlying collateral on financial assets in which the collateral-dependent practical expedient has not been utilized
Economic	The environmental factors of a borrower and the areas in which the entity's credit is concentrated, such as: changes and expected changes in national, regional and local economic and business conditions and developments in which the entity operates, including the condition and expected condition of various market segments
Credit Culture	The entity's lending policies and procedures, including changes in lending strategies, underwriting standards, collection, write-off and recovery practices, as well as knowledge of the borrower's operations or the borrower's standing in the community
	The quality of the entity's credit review system
	The experience, ability and depth of the entity's management, lending staff, and other relevant staff
Business Environment	The environmental factors of a borrower and the areas in which the entity's credit is concentrated, such as: regulatory, legal, or technological environment to which the entity has exposure
	The environmental factors of a borrower and the areas in which the entity's credit is concentrated, such as: changes and expected changes in the general market condition of either the geographical area or the industry to which the entity has exposure

An eighth Q-Factor, Management Overlay, allows the Bank to adjust specific pools when conditions exist that were not contemplated in the model design that warrant an adjustment. The economic downturn caused by the COVID-19 pandemic and resulting accounting treatment of forbearances is an example of such a condition.

The Company has chosen two years as the forecast period based on management judgment and has determined that reasonable and supportable forecasts should be made for two of the Q-Factors: Economic and Collateral values.

Management has assigned weightings for each qualitative factor as well as individual metrics within each qualitative factor as to the relative importance of that factor or metric specific to each portfolio type. The Q-Factors above are evaluated using a seven-point scale ranging from significant improvement to significant deterioration.

The CECL Q-Factor methodology bounds the Q-Factor adjustments by a minimum and maximum range, based on the Bank's own historical expected loss rates for each respective pool. The rating of the Q-Factor on the seven-point scale, along with the allocated weight, determines the final expected loss adjustment. The model is constructed so that the total of the Q-Factor adjustments plus the current expected loss rate cannot be outside the maximum or minimum two-year loss rate for that pool, which is aligned with the Bank's chosen forecast period. Loss rates beyond two years are not adjusted in the Q-Factor process and the model reverts to the historical mean loss rates. Management Overlays are not bounded by the historical maximums.

Quarterly, loan data is gathered to update the portfolio metrics analyzed in the Q-Factor model. The model is updated with current data and applicable forecasts, then the results are reviewed by management. After consensus is reached on all Q-Factor ratings, the results are input into the Q-Factor model and applied to the pooled loans which are reviewed to determine the adequacy of the reserve.

Additional details describing the model by portfolio are below:

Consumer Loan Portfolio

The consumer loan portfolio is comprised of the single family and home equity loan classes, which are underwritten after evaluating a borrower's capacity, credit and collateral. Other consumer loans are grouped with home equity loans. Capacity refers to a borrower's ability to make payments on the loan. Several factors are considered when assessing a borrower's capacity, including the borrower's employment, income, current debt, assets and level of equity in the property. Credit refers to how well a borrower manages current and prior debts as documented by a credit report that provides credit scores and current and past information about the borrower's credit history. Collateral refers to the type and use of property, occupancy and market value. Property appraisals may be obtained to assist in evaluating collateral. Loan-to-property value and debt-to-income ratios, loan amount and lien position are considered in assessing whether to originate a loan. These borrowers are particularly susceptible to downturns in economic trends such as conditions that negatively affect housing prices, demand for housing and levels of unemployment.

Consumer Loan Portfolio Loss Rate Model

Under CECL, the Bank utilizes pools of loans that are grouped by similar risk characteristics: Single Family and Home Equity Loans. Sub-Pools are established at a more granular level for the calculation of PDs, incorporating delinquency status, original FICO and original LTV.

Consumer portfolio cohorts are established by grouping each ACL sub-pool at a point in time. Once historical cohorts are established, the loans in the cohort are tracked moving forward for default events.

The Q-Factors adjust the expected historic loss rates for current and forecasted conditions that are not provided for in the historical loss information. For Single Family loans all Q-Factors noted above are evaluated. For the Home Equity loans, collateral values are not evaluated as the Bank has determined the FICO score trends are a more relevant predictor of default than current collateral value for those types of loans. These factors are evaluated based on current conditions and forecasts (as applicable), using a seven-point scale ranging from significant improvement to significant deterioration.

Commercial Loan Portfolio

The commercial loan portfolio is comprised of the non-owner occupied commercial real estate ("CRE"), multifamily, construction and land development, owner occupied CRE and commercial business loan classes, whose underwriting standards consider the factors described for single family and home equity loan classes as well as others when assessing the borrower's and associated guarantor's or other related party's financial position. These other factors include assessing liquidity, net worth, leverage, other outstanding indebtedness of the borrower, the quality and reliability of cash expected to flow through the borrower (including the outflow to other lenders) and prior experiences with the borrower.

This information is used to assess financial capacity, profitability and experience. Ultimate repayment of these loans is sensitive to interest rate changes, general economic conditions, liquidity and availability of long-term financing.

Commercial Loan Portfolio Loss Rate Model

The Bank has subdivided the commercial loan portfolio into the following ACL reporting pools to more accurately group risk characteristics: Commercial Business, Owner Occupied CRE, Multifamily, Multifamily Construction, CRE, CRE Construction, Single Family Construction to Permanent, and Single Family Construction, which includes lot, land and acquisition and development loans. ACL sub-pools are established at a more granular level for the calculation of PDs, utilizing risk rating.

As outlined in the Bank's policies, commercial loans pools are non-homogenous and are regularly assessed for credit quality. For purposes of CECL, loans are sub-pooled according to the following AQR Ratings:

- 1-6: These loans meet the definition of "Pass" assets. They are well protected by the current net worth and paying capacity of the obligor (or guarantors, if any) or by the fair value, less costs to acquire and sell in a timely manner, of any underlying collateral. The Bank further uses the available AQR ratings for components of the sub-pools.
- 7: These loans meet the regulatory definition of "Special Mention." They contain potential weaknesses, that if uncorrected may result in deterioration of the likelihood of repayment or in the Bank's credit position.
- 8: These loans meet the regulatory definition of "Substandard." They are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. They have well-defined weaknesses and have unsatisfactory characteristics causing unacceptable levels of risk.

Commercial portfolio cohorts are established by grouping each ACL sub-pool at a point in time. Once historical cohorts are established, the loans in the cohort are tracked moving forward for default events. The Q-Factors adjust the expected historic loss rates for current and forecasted conditions that are not provided for in the historical loss information. All the Q-Factors noted above are evaluated for Commercial portfolio loans except for Commercial Business and Owner Occupied CRE loans which exclude the collateral values Q-Factor. The Company has determined that these loans are primarily underwritten by evaluating the cash flow of the business and not the underlying collateral. Factors above are evaluated based on current conditions and forecasts (as applicable), using a seven-point scale ranging from significant improvement to significant deterioration.

Loans That Do Not Share Risk Characteristics with Other Loans

For a loan that does not share risk characteristics with other loans, expected credit loss is measured on net realizable value that is the difference between the discounted value of the expected future cash flows, based on the original effective interest rate and the amortized cost basis of the loan. For these loans, we recognize expected credit loss equal to the amount by which the net realizable value of the loan is less than the amortized cost basis of the loan (which is net of previous charge-offs and deferred loan fees and costs), except when the loan is collateral dependent, which is when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. In these cases, expected credit loss is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral. The fair value of the collateral is adjusted for the estimated costs to sell if repayment or satisfaction of a loan is dependent on the sale (rather than only on the operation) of the collateral.

The starting point for determining the fair value of collateral is through obtaining external appraisals. Generally, collateral values for collateral dependent loans are updated every twelve months, either from external third parties or in-house certified appraisers. A third-party appraisal is required at least annually for substandard loans and OREO. For performing consumer loans secured by real estate that are classified as collateral dependent, the Bank determines the fair value estimates quarterly using automated valuation services. Once the expected credit loss amount is determined, an ACL is recorded equal to the expected credit loss and included in the ACL. If no credit loss is expected to occur, then no ACL is recognized for this loan. If the expected credit loss is determined to be permanent or not recoverable, the expected credit loss will be charged off. Factors considered by management in determining if the expected credit loss is permanent or not recoverable include whether management judges the loan to be uncollectible, repayment is deemed to be protracted beyond reasonable time frames, or the loss becomes evident owing to the borrower's lack of assets or, for single family loans, the loan is 180 days or more past due unless both well-secured and in the process of collection.

ACL for Off-Balance Sheet Credit Exposures

The Bank estimates expected credit losses over the contractual period in which the Bank is exposed to risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Bank. Reserves are required for off-balance sheet credit exposures that are not unconditionally cancellable. The ACL on unfunded loan commitments is based on an estimate of unfunded commitment utilization over the life of the loan, applying the EL rate to the estimated utilization balance as of the reporting period end date.

Other Real Estate Owned

Real estate properties acquired through, or in lieu of, loan foreclosure are recorded at net realizable value (fair value of collateral less estimated costs to sell). At the time of possession, an appraisal is obtained and any excess of the loan balance over the net realizable value is charged against the ACL. After foreclosure, valuations are periodically performed by management. Any subsequent declines in fair value are recorded as a charge to current period earnings with a corresponding write-down to the asset. All legal fees and direct costs, including foreclosure and other related costs are expensed as incurred.

Mortgage Servicing Rights

MSRs are recognized as separate assets on our consolidated balance sheets when we retain the right to service loans that we have sold or purchase rights to service. We initially record all MSRs at fair value. For subsequent measurements, single family MSRs are accounted for at fair value, with changes in fair value recorded through current period earnings, while multifamily and SBA MSRs are accounted for at the lower of amortized cost or fair value.

Subsequent fair value measurements of MSRs are determined by considering the present value of estimated future net servicing cash flows. Changes in the fair value of MSRs result from changes in (1) model inputs and assumptions and (2) modeled amortization, representing the collection and realization of expected cash flows and curtailments over time. The significant

model inputs used to measure the fair value of MSR include assumptions regarding market interest rates, projected prepayment speeds, discount rates, estimated costs of servicing and other income and additional expenses associated with the collection of delinquent loans.

Multifamily and SBA MSR are evaluated periodically for impairment based upon the fair value of the MSR as compared to amortized cost. Impairment is determined by comparing the fair value of the portfolio based on predominant risk characteristic loan type, to amortized cost. Impairment is recognized to the extent that fair value is less than the capitalized amount of the portfolio.

For single family MSR, loan servicing income includes fees earned for servicing the loans and the changes in fair value over the reporting period of both our MSR and the derivatives used to economically hedge our MSR. For other MSR, loan servicing income includes fees earned for servicing the loans less the amortization of the related MSR and any impairment adjustments.

Revenue Recognition

Descriptions of our primary revenue-generating activities that fall within the scope of Accounting Standards Committee ("ASC") Topic 606 *Revenue Recognition* and are presented in our consolidated income statements as follows:

Depositor and other retail banking fees (in Deposit Fees)

Depositor and other retail banking fees consist of monthly service fees and other deposit account related fees. The Company's performance obligation for these fees is generally satisfied, and the related revenue recognized over the period in which the service is provided.

Commission Income (in Other Noninterest Income)

Commission income primarily consists of revenue received on insurance policies. The Company's performance obligation for commissions is generally satisfied, and the related revenue generally recognized over the course of the policy.

Credit Card Fees (in Other Noninterest Income)

The Company offers credit cards to its customers through a third party and earns a fee on each transaction and a fee for each new account activation on a net basis. Revenue is recognized when the services are performed.

Sale of Other Real Estate Owned (in Other Noninterest Income)

A gain or loss, the difference between the cost basis of the property and its sale price, on other real estate owned is recognized when the performance obligation is met, which is at the time the property title is transferred to the buyer. To record a sale of OREO, the Company evaluates if: (a) a commitment on the buyer's part exists, (b) collection is probable in circumstances where the initial investment is minimal and (c) the buyer has obtained control of the asset, including the significant risks and rewards of ownership. If there is no commitment on the buyer's part, collection is not probable or the buyer has not obtained control of the asset, then a gain will not be recognized.

Premises and Equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which generally range from 3 to 20 years. The cost of leasehold improvements is amortized using the straight-line method over the shorter of the estimated useful life of the asset or the term of the related leases. The Company periodically evaluates premises and equipment for impairment.

Leases

We determine if an arrangement is a lease at inception. Operating and finance leases are included in lease right-of-use ("ROU") assets, and lease liabilities in our consolidated balance sheets. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. The lease liability is recognized at commencement date based on the present value of lease payments over the lease term. The right-of-use asset is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as prepaid rent, lease incentives and deferred rent. As the rate implicit in most of our leases are not readily determinable, we generally use our incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease contract at commencement date. We have lease agreements with lease and non-lease components, which are generally accounted for separately for real estate leases.

Certain of our lease agreements include rental payments that adjust periodically based on changes in the Consumer Price Index ("CPI"). Subsequent increases in the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments is incurred. The ROU assets and lease liabilities are not re-measured as a result of changes in the CPI.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Lease expense for our financing leases is comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method.

We use the long-lived assets impairment accounting guidance to determine whether an ROU asset is impaired, and if impaired, the amount of loss to recognize. Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. These could include vacating the leased space, obsolescence, or physical damage to a facility. If an impairment loss is recognized for a ROU asset, the adjusted carrying amount of the ROU asset would be its new accounting basis. The remaining ROU asset (after the impairment write-down) is amortized on a straight-line basis over the remaining lease term.

Branch Acquisition

On February 10, 2023, the Company completed its acquisition of three branches in southern California, whereby we assumed \$376 million in deposits and purchased \$21 million in loans. The application of the acquisition method of accounting resulted in recording goodwill of \$12 million, and a core deposit intangible of \$11 million.

Goodwill and Other Intangible Assets

Goodwill is recorded upon completion of a business combination as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill has been determined to have an indefinite useful life and is not amortized but tested for impairment at least annually or more frequently if events and circumstances occur that indicate it is more likely than not the fair value of the reporting unit is less than its carrying value necessitating an impairment test. The Company performs its annual impairment testing in the third quarter of each year, or sooner if a triggering event occurs. Triggering events include, among other factors, declines in historical or projected revenue, operating income or cash flows, and sustained declines in the Company's stock price or market capitalization, considered both in absolute terms and relative to peers.

As a result of sustained decreases in the Company's stock price and associated market value during the second quarter of 2023, the Company conducted an impairment analysis of its goodwill as of June 30, 2023. We applied an income-based valuation approach using the Company's strategic forecast, general market growth assumptions and other market-based inputs, which determined that goodwill was impaired as the indicated enterprise fair value of the Company was lower than the book value of equity as of the measurement date. As a result, in the second quarter of 2023, we recorded an impairment charge of our entire goodwill balance of \$39.9 million as the deficit of enterprise fair value to book value of equity exceeded the amount of goodwill on the balance sheet. This was a non-cash charge to earnings and had no impact on tangible or regulatory capital, cash flows or our liquidity position. The following table presents the changes in the carrying amount of goodwill in 2023:

(in thousands)

Balance, December 31, 2022	\$	27,900
Additions - branch acquisition		11,957
Goodwill impairment charge		(39,857)
Balance December 31, 2023	\$	—

Intangible assets with definite useful lives, such as core deposit intangible assets arising from bank and branch acquisitions, are amortized over their estimated useful lives.

Securities Sold Under Agreements to Repurchase

From time to time, the Company may enter into sales of securities under agreements to repurchase ("repurchase agreements"). Repurchase agreements are accounted for as financing arrangements with the obligation to repurchase securities sold reflected as a liability on the consolidated balance sheets. The securities underlying the repurchase agreements continue to be recognized as investment securities in the consolidated balance sheet.

Income Taxes

Deferred tax assets and liabilities arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. Deferred tax assets and tax carryforwards are only recognized if, in the opinion of management, it is more likely than not that the deferred tax assets will be fully realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. We are subject to federal income tax and also state and local income taxes in a number of different jurisdictions.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company recognizes interest and penalties related to income tax matters in general, administrative and other expense.

Derivatives and Hedging Activities

In the ordinary course of business, the Company enters into derivative transactions to manage various risks and to accommodate the business requirements of its customers. The fair value of derivative instruments are recognized as either assets or liabilities on the consolidated balance sheet. All derivatives are evaluated at inception as to whether or not they are hedge accounting or non-hedge accounting activities. For derivative instruments designated as non-hedge accounting activities (also referred to as economic hedges), the change in fair value is recognized currently in earnings. Gains and losses on derivative contracts utilized for economically hedging the mortgage pipeline are recognized as part of the net gain on mortgage loan origination and sale activities within noninterest income. Gains and losses on derivative contracts utilized for economically hedging our single family MSRs are recognized as part of loan servicing income within noninterest income.

For derivative instruments designated as hedge accounting activities, a qualitative analysis is performed at inception to determine if the derivative instrument is highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period that the hedge is designated. Subsequently, a qualitative assessment of a hedge's effectiveness is performed on a quarterly basis. All derivative instruments that qualify and are designated for hedge accounting are recorded at fair value and classified as either a hedge of the fair value of a recognized asset or liability ("fair value hedge") or a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"). Changes in the fair value of a derivative that is highly effective and designated as a fair value hedge is recognized in earnings and the change in fair value on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized currently in earnings. Changes in the fair value of a derivative that is highly effective and designated as a cash flow hedge are recorded in other comprehensive income (loss) until cash flows of the hedged item are realized. All hedge amounts recognized in earnings are presented in the same income statement line item as the earnings effect of the hedged item.

If a derivative designated as a cash flow hedge is terminated or ceases to be highly effective, the gain or loss in other comprehensive income (loss) is amortized to earnings over the period the forecasted hedged transactions impact earnings. If a

hedged forecasted transaction is no longer probable, hedge accounting is ceased and any gain or loss included in other comprehensive income (loss) is reported in earnings immediately, unless the forecasted transaction is at least reasonably possible of occurring, whereby the amounts remain within other comprehensive income (loss).

Derivative instruments expose us to credit risk in the event of nonperformance by counterparties. This risk consists primarily of the termination value of agreements where the Company is in a favorable position. The Company minimizes counterparty credit risk through credit approvals, limits, monitoring procedures, and obtaining collateral, as appropriate.

The Company also executes interest rate swaps with commercial banking customers to facilitate their respective risk management strategies. These interest rate swaps are economically hedged by simultaneously entering into an offsetting interest rate swap that the Company executes with a third party, such that the Company minimizes its net risk exposure.

Share-Based Compensation

The Company issues various forms of stock-based compensation awards annually, including restricted stock units ("RSUs") and performance stock units ("PSUs"). Compensation expense related to RSUs is based on the fair value of the underlying stock on the award date and is recognized over the period in which an employee is required to provide services in exchange for the award, generally the vesting period. PSUs are subject to market-based vesting criteria in addition to a requisite service period and cliff vest based on those conditions at the end of three years. The grant date fair value of PSUs is determined through the use of an independent third party which employs the use of a Monte Carlo simulation. The Monte Carlo simulation estimates grant date fair value using certain input assumptions such as: expected volatility, award term, expected risk-free rate of interest and expected dividend yield on the Company's common stock and also incorporates into the grant date fair value calculation the probability that the performance targets will be achieved. Forfeitures of stock-based awards are recognized when they occur.

Fair Value Measurement

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value is an exit price, representing the amount that would be received to sell an asset or transfer a liability in an orderly transaction between market participants. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Fair value measures are classified according to a three-tier fair value hierarchy, which is based on the observability of inputs used to measure fair value. Changes in assumptions or in market conditions could significantly affect these estimates.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Contingencies

Contingent liabilities, including those that exist as a result of a guarantee or indemnification, are recognized when it becomes probable that a loss has been incurred and the amount of the loss is reasonably estimable. For indemnifications provided in sales agreements, a portion of the sale proceeds is allocated to the guarantee, which adjusts the gain or loss that would otherwise result from the transaction.

Earnings per Share

Earnings per share of common stock is calculated on both a basic and diluted basis, based on the weighted average number of common and common equivalent shares outstanding. Basic earnings per share excludes potential dilution from common equivalent shares, such as those associated with stock-based compensation awards, and is computed by dividing net income allocated to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as common equivalent shares associated with stock-based compensation awards, were exercised or converted into common stock that would then share in the net earnings of the Company. Potential dilution from common equivalent shares is determined using the treasury stock method, reflecting the potential settlement of stock-based compensation awards resulting in the issuance of additional shares of the Company's common stock. Stock-based compensation awards that would have an anti-dilutive effect have been excluded from the determination of diluted earnings per share.

Marketing Costs

The Company expenses marketing costs, including advertising, in the period incurred. We incurred \$3.0 million and \$4.2 million in marketing costs during 2024 and 2023, respectively.

Recent Accounting Developments

In March 2023, the FASB issued ASU 2023-02, "Investments – Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method." ASU 2023-02 permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. ASU 2023-02 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. We adopted ASU 2023-02 in 2024 and it did not have a material impact on the Company's financial position or results of operations.

In October 2023, the FASB issued ASU 2023-06, "Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." The amendments in ASU 2023-06 modify the disclosure or presentation requirements of a variety of Topics in the Codification, with the intention of clarifying or improving them and aligning the requirements in the codification with the SEC's regulations (and will be removed from the SEC regulations). ASU 2023-06 should be adopted prospectively, and the effective date varies and is determined for each individual disclosure based on the effective date of the SEC's removal of the related disclosure. We are assessing the impact of ASU 2023-06 and believe it will not have an impact on the Company's financial position or results of operation as it impacts disclosures only.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 and should be applied retrospectively. We adopted ASU 2023-07 in 2024 and it did not have an impact on the Company's financial position or results of operation as it impacts disclosures only.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands disclosures in an entity's income tax rate reconciliation table and taxes paid both in the U.S. and foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2024. The adoption of ASU 2023-09 will not have an impact on the Company's financial position or results of operation as it impacts disclosures only. We are assessing the impact on our disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU 2024-03 requires public companies to disclose, in the notes to the financial statements, specific information about certain costs and expenses at each interim and annual reporting period. This includes disclosing amounts related to employee compensation, depreciation, and intangible asset amortization. In addition, public companies will need to provide qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The adoption of ASU

2024-03 will not have an impact on the Company's financial position or results of operation as it impacts disclosures only. We are assessing the impact on our disclosures.

NOTE 2—INVESTMENT SECURITIES:

The following tables set forth certain information regarding the amortized cost basis and fair values of our investment securities AFS and HTM:

		At December 31, 2024			
(in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	
AFS					
Mortgage-backed securities ("MBS"):					
Residential	\$ 174,887	\$ 229	\$ (7,654)	\$ 167,462	
Commercial	54,620	—	(6,978)	47,642	
Collateralized mortgage obligations ("CMOs")					
Residential	349,348	36	(31,940)	317,444	
Commercial	59,725	14	(4,794)	54,945	
Municipal bonds	433,162	95	(54,998)	378,259	
Corporate debt securities	31,136	—	(6,192)	24,944	
U.S. Treasury securities	22,306	—	(2,319)	19,987	
Agency debentures	10,320	—	(1,044)	9,276	
Total	<u>\$ 1,135,504</u>	<u>\$ 374</u>	<u>\$ (115,919)</u>	<u>\$ 1,019,959</u>	
HTM					
Municipal bonds	<u>\$ 2,301</u>	<u>\$ —</u>	<u>\$ (28)</u>	<u>\$ 2,273</u>	

		At December 31, 2023			
(in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	
AFS					
MBS:					
Residential	\$ 194,141	\$ 117	\$ (10,460)	\$ 183,798	
Commercial	55,235	—	(7,479)	47,756	
CMOs:					
Residential	473,269	8	(33,539)	439,738	
Commercial	63,456	—	(6,059)	57,397	
Municipal bonds	452,057	670	(47,853)	404,874	
Corporate debt securities	45,611	34	(7,098)	38,547	
U.S. Treasury securities	22,658	—	(2,474)	20,184	
Agency debentures	60,202	5	(1,302)	58,905	
Total	<u>\$ 1,366,629</u>	<u>\$ 834</u>	<u>\$ (116,264)</u>	<u>\$ 1,251,199</u>	
HTM					
Municipal bonds	<u>\$ 2,371</u>	<u>\$ —</u>	<u>\$ (40)</u>	<u>\$ 2,331</u>	

At December 31, 2024 and 2023, the Company held \$35 million and \$25 million, respectively, of trading securities consisting of U.S. Treasury notes used as economic hedges of our single family mortgage servicing rights, which are carried at fair value and included with investment securities on the balance sheet. For 2024 and 2023, net losses of \$1.7 million and \$0.5 million on trading securities, respectively, were recorded in servicing income.

MBS and CMOs represent securities issued or guaranteed by government sponsored enterprises ("GSEs"). Most of the MBS and CMO securities in our investment portfolio are guaranteed by Fannie Mae, Ginnie Mae or Freddie Mac. Municipal bonds are comprised of general obligation bonds (i.e., backed by the general credit of the issuer) and revenue bonds (i.e., backed by

either collateral or revenues from the specific project being financed) issued by various municipal organizations. As of December 31, 2024 and 2023, substantially all securities held, including municipal bonds and corporate debt securities, were rated investment grade based upon nationally recognized statistical rating organizations where available and, where not available, based upon internal ratings.

Investment securities AFS that were in an unrealized loss position are presented in the following tables based on the length of time the individual securities have been in an unrealized loss position:

(in thousands)	At December 31, 2024					
	Less than 12 months		12 months or more		Total	
	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value
AFS						
MBS:						
Residential	\$ (2)	\$ 532	\$ (7,652)	\$ 158,044	\$ (7,654)	\$ 158,576
Commercial	—	—	(6,978)	47,642	(6,978)	47,642
CMOs:						
Residential	(78)	7,481	(31,862)	293,297	(31,940)	300,778
Commercial	—	—	(4,794)	51,834	(4,794)	51,834
Municipal bonds	(810)	28,361	(54,188)	340,571	(54,998)	368,932
Corporate debt securities	—	—	(6,192)	24,944	(6,192)	24,944
U.S. Treasury securities	—	—	(2,319)	19,987	(2,319)	19,987
Agency debentures	—	—	(1,044)	9,276	(1,044)	9,276
Total	\$ (890)	\$ 36,374	\$ (115,029)	\$ 945,595	\$ (115,919)	\$ 981,969
HTM						
Municipal bonds	\$ —	\$ —	\$ (28)	\$ 2,273	\$ (28)	\$ 2,273

(in thousands)	At December 31, 2023					
	Less than 12 months		12 months or more		Total	
	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value
AFS						
MBS:						
Residential	\$ (3)	\$ 1,145	\$ (10,457)	\$ 177,393	\$ (10,460)	\$ 178,538
Commercial	—	61	(7,479)	47,695	(7,479)	47,756
CMOs:						
Residential	(368)	83,815	(33,171)	348,914	(33,539)	432,729
Commercial	—	—	(6,059)	57,397	(6,059)	57,397
Municipal bonds	(73)	7,489	(47,780)	364,775	(47,853)	372,264
Corporate debt securities	—	—	(7,098)	28,513	(7,098)	28,513
U.S. Treasury securities	—	—	(2,474)	20,184	(2,474)	20,184
Agency debentures	(135)	42,897	(1,167)	11,003	(1,302)	53,900
Total	\$ (579)	\$ 135,407	\$ (115,685)	\$ 1,055,874	\$ (116,264)	\$ 1,191,281
HTM						
Municipal bonds	\$ —	\$ —	\$ (40)	\$ 2,331	\$ (40)	\$ 2,331

The Company has evaluated AFS securities in an unrealized loss position and has determined that the decline in value is temporary and is related to the change in market interest rates since purchase. The decline in value is not related to any issuer- or industry-specific credit event. The Company has not identified any expected credit losses on its debt securities as of December 31, 2024 and 2023. The Company bases this conclusion in part on its periodic review of the credit ratings of the AFS securities or reviews of the financial condition of the issuers. In addition, as of December 31, 2024 and 2023, the Company had

not made a decision to sell any of its debt securities held, nor did the Company consider it more likely than not that it would be required to sell such securities before recovery of their amortized cost basis.

The following tables present the fair value of investment securities AFS and HTM by contractual maturity along with the associated contractual yield.

		At December 31, 2024									
		Within one year		After one year through five years		After five years through ten years		After ten years		Total	
(dollars in thousands)		Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield
AFS											
Municipal bonds	\$	—	—%	\$ 15,531	3.88%	\$ 70,678	2.92%	\$ 292,050	2.93%	\$ 378,259	2.97%
Corporate debt securities		—	—%	2,735	2.08%	22,209	4.27%	—	—%	24,944	4.03%
U.S. Treasury securities		—	—%	19,987	1.15%	—	—%	—	—%	19,987	1.15%
Agency debentures		—	—%	1,770	2.13%	4,442	2.17%	3,064	2.14%	9,276	2.15%
Total	\$	—	—%	\$ 40,023	2.32%	\$ 97,329	3.19%	\$ 295,114	2.92%	\$ 432,466	2.93%
HTM											
Municipal bonds	\$	2,273	2.29%	\$ —	—%	\$ —	—%	\$ —	—%	\$ 2,273	2.29%

		At December 31, 2023									
		Within one year		After one year through five years		After five years through ten years		After ten years		Total	
(dollars in thousands)		Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield
AFS											
Municipal bonds	\$	—	—%	\$ 5,856	1.84%	\$ 60,775	3.36%	\$ 338,243	3.01%	\$ 404,874	3.04%
Corporate debt securities		4,425	3.53%	12,714	4.95%	21,408	3.89%	—	—%	38,547	4.21%
U.S. Treasury securities		—	—%	20,184	1.14%	—	—%	—	—%	20,184	1.14%
Agency debentures		16,977	4.93%	30,925	5.2%	7,758	2.15%	3,245	2.17%	58,905	4.51%
Total	\$	21,402	4.64%	\$ 69,679	3.64%	\$ 89,941	3.40%	\$ 341,488	3.00%	\$ 522,510	3.21%
HTM											
Municipal bonds	\$	—	—%	\$ 2,331	2.29%	\$ —	—%	\$ —	—%	\$ 2,331	2.29%

The weighted-average yield is computed using the contractual coupon for each security weighted based on the fair value of each security. MBS and CMOs are excluded from the tables above because such securities are not due on a single maturity date. The weighted average yield of MBS and CMOs as of December 31, 2024 and 2023 was 3.01% and 3.21%, respectively.

Sales of AFS investment securities were as follows:

		Years Ended December 31,	
(in thousands)		2024	2023
Proceeds		\$ —	\$ 4,693
Gross gains		—	3
Gross losses		—	—

The following table summarizes the carrying value of securities pledged as collateral to secure public deposits, borrowings and other purposes as permitted or required by law.

(in thousands)	At December 31,	
	2024	2023
Federal Reserve Bank to secure existing or potential borrowings	\$ 906,475	\$ 647,104
Washington, Oregon and California State to secure public deposits	195,212	10,654
Other securities pledged	1,334	1,440
Total securities pledged as collateral	\$ 1,103,021	\$ 659,198

The Company assesses the creditworthiness of the counterparties that hold the pledged collateral and has determined that these arrangements have minimal credit risk.

Tax-exempt interest income on investment securities was \$11.1 million and \$11.3 million for 2024 and 2023, respectively.

NOTE 3-LOANS AND CREDIT QUALITY:

The Company's LHFI is divided into two portfolio segments, commercial loans and consumer loans. Within each portfolio segment, the Company monitors and assesses credit risk based on the risk characteristics of each of the following loan classes: non-owner occupied commercial real estate ("CRE"), multifamily, construction and land development, owner occupied CRE and commercial business loans within the commercial loan portfolio segment and single family and home equity and other loans within the consumer loan portfolio segment. LHFI consists of the following:

(in thousands)	At December 31,	
	2024	2023
CRE		
Non-owner occupied CRE	\$ 570,750	\$ 641,885
Multifamily	2,992,675	3,940,189
Construction/land development	472,740	565,916
Total	4,036,165	5,147,990
Commercial and industrial loans		
Owner occupied CRE	361,997	391,285
Commercial business	312,004	359,049
Total	674,001	750,334
Consumer loans		
Single family	1,109,095	1,140,279
Home equity and other	412,535	384,301
Total ⁽¹⁾	1,521,630	1,524,580
Total LHFI	6,231,796	7,422,904
ACL	(38,743)	(40,500)
Total LHFI less ACL	\$ 6,193,053	\$ 7,382,404

(1) Includes \$1.3 million at December 31, 2024 and 2023, of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated income statements.

Loans totaling \$4.0 billion and \$5.1 billion at December 31, 2024 and 2023, respectively, were pledged to secure existing or potential borrowings from the FHLB and loans totaling \$1.4 billion and \$1.2 billion at December 31, 2024 and 2023, respectively, were pledged to secure existing or potential borrowings from the FRBSF.

It is the Company's policy to make loans to officers, directors and their associates in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other persons. The following is a summary of activity during the years ended December 31, 2024 and 2023 with respect to such aggregate loans to these related parties and their associates:

(in thousands)	Years Ended December 31,	
	2024	2023
Beginning balance	\$ 1,932	\$ 1,978
New loans and advances, net of principal repayments	(73)	(46)
Ending balance	\$ 1,859	\$ 1,932

Credit Risk Concentrations

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions.

LHFI are primarily secured by real estate located in the Pacific Northwest and California. At December 31, 2024 and 2023, single family loans in the state of Washington represented 13% and 11% of the total LHFI portfolio, respectively. At December 31, 2024 and 2023, multifamily loans in the state of California represented 30% and 36% of the total LHFI portfolio, respectively.

Credit Quality

Management considers the level of ACL to be appropriate to cover credit losses expected over the life of the loans for the LHFI portfolio. The cumulative loss rate used as the basis for the estimate of credit losses is comprised of the Bank's historical loss experience and eight qualitative factors for current and forecasted periods.

As of December 31, 2024, the historical expected loss rates increased when compared to December 31, 2023. During 2024, expected loss rates increased primarily due to product mix and risk level composition changes and specific reserves on commercial loans, which were partially offset by a reduction in loan balances resulting from our \$990 million loan sale. As of December 31, 2024, the Bank expects slight near-term deterioration in commercial collateral values offset by improvement in commercial and single family collateral values in later periods of the two-year forecast period in the markets in which it operates. Additionally, over the near term and two-year forecast period in the markets in which it operates, the Bank expects neutral economic conditions.

The Company maintains a separate allowance for unfunded loan commitments which is included in accounts payable and other liabilities on our consolidated balance sheets. The allowance for unfunded commitments was \$1.1 million and \$1.8 million at December 31, 2024 and 2023, respectively.

The Bank has elected to exclude accrued interest receivable from the evaluation of the ACL. Accrued interest on LHFI was \$25.1 million and \$28.9 million at December 31, 2024 and 2023, respectively, and was reported in other assets on the consolidated balance sheets.

Activity in the ACL for LHFI and the allowance for unfunded commitments was as follows:

(in thousands)	Years Ended December 31,	
	2024	2023
Beginning balance	\$ 40,500	\$ 41,500
Provision for credit losses	677	(67)
Net (charge-offs) recoveries	(2,434)	(933)
Ending balance	\$ 38,743	\$ 40,500
Allowance for unfunded commitments		
Beginning balance	\$ 1,823	\$ 2,197
Provision for credit losses	(677)	(374)
Ending balance	\$ 1,146	\$ 1,823
Provision for credit losses:		
Allowance for credit losses-loans	\$ 677	\$ (67)
Allowance for unfunded commitments	(677)	(374)
Total	\$ —	\$ (441)

Activity in the ACL by loan portfolio and loan sub-class was as follows:

(in thousands)	Year Ended December 31, 2024				
	Beginning balance	Charge-offs	Recoveries	Provision	Ending balance
CRE					
Non-owner occupied CRE	\$ 2,610	\$ —	\$ —	\$ (871)	\$ 1,739
Multifamily	13,093	—	—	1,816	14,909
Construction/land development					
Multifamily construction	3,983	—	—	(3,134)	849
CRE construction	189	—	—	(123)	66
Single family construction	7,365	—	—	(628)	6,737
Single family construction to permanent	672	—	—	(488)	184
Total	27,912	—	—	(3,428)	24,484
Commercial and industrial loans					
Owner occupied CRE	899	—	—	(323)	576
Commercial business	2,950	(2,963)	522	6,377	6,886
Total	3,849	(2,963)	522	6,054	7,462
Consumer loans					
Single family	5,287	—	7	(1,684)	3,610
Home equity and other	3,452	(178)	178	(265)	3,187
Total	8,739	(178)	185	(1,949)	6,797
Total ACL	\$ 40,500	\$ (3,141)	\$ 707	\$ 677	\$ 38,743

(in thousands)	Year Ended December 31, 2023				Ending balance
	Beginning balance	Charge-offs	Recoveries	Provision	
CRE					
Non-owner occupied CRE	\$ 2,102	\$ —	\$ —	\$ 508	\$ 2,610
Multifamily	10,974	—	—	2,119	13,093
Construction/land development					
Multifamily construction	998	—	—	2,985	3,983
CRE construction	196	—	—	(7)	189
Single family construction	12,418	—	—	(5,053)	7,365
Single family construction to permanent	1,171	—	—	(499)	672
Total	27,859	—	—	53	27,912
Commercial and industrial loans					
Owner occupied CRE	1,030	—	—	(131)	899
Commercial business	3,247	(1,062)	87	678	2,950
Total	4,277	(1,062)	87	547	3,849
Consumer loans					
Single family	5,610	—	23	(346)	5,287
Home equity and other	3,754	(319)	338	(321)	3,452
Total	9,364	(319)	361	(667)	8,739
Total ACL	\$ 41,500	\$ (1,381)	\$ 448	\$ (67)	\$ 40,500

Credit Quality Indicators

Management regularly reviews loans in the portfolio to assess credit quality indicators and to determine appropriate loan classification and grading in accordance with applicable bank regulations. The Company's risk rating methodology assigns risk ratings ranging from 1 to 10, where a higher rating represents higher risk. The risk rating of 9 is not used.

Per the Company's policies, most commercial loans pools are non-homogenous and are regularly assessed for credit quality. The rating categories can be generally described by the following groupings for non-homogeneous loans:

- 1-6: These loans meet the definition of "Pass" assets. They are well protected by the current net worth and paying capacity of the obligor (or guarantors, if any) or by the fair value, less costs to acquire and sell in a timely manner, of any underlying collateral.
- 7: These loans meet the regulatory definition of "Special Mention." They contain potential weaknesses, that if uncorrected may result in deterioration of the likelihood of repayment or in the Bank's credit position.
- 8: These loans meet the regulatory definition of "Substandard." They are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. They have well-defined weaknesses and have unsatisfactory characteristics causing unacceptable levels of risk.
- 10: A loan, or the portion of a loan determined to meet the regulatory definition of "Loss." The amounts classified as loss have been charged-off.

The risk rating categories can be generally described by the following groupings for homogeneous loans:

- 1-6: These loans meet the definition of "Pass" assets. A homogenous "Pass" loan is typically risk rated based on payment performance.
- 7: These loans meet the regulatory definition of "Special Mention." A homogeneous special mention loan, risk rated 7, is less than 90 days past due from the required payment date at month-end.
- 8: These loans meet the regulatory definition of "Substandard." A homogeneous substandard loan, risk rated 8, is 90 days or more past due from the required payment date at month-end.
- 10: These loans meet the regulatory definition of "Loss." A closed-end homogeneous loan not secured by real estate is risk rated 10 when past due 120 cumulative days or more from the contractual due date. Closed-end homogeneous loans secured by real estate and all open-end homogenous loans are risk rated 10 when past due 180 cumulative days or more

from the contractual due date. These loans, or the portion of these loans classified as loss, are generally charged-off in the month in which the applicable past due period elapses.

Small balance commercial loans are generally considered homogenous unless 30 days or more past due. The risk rating classification for such loans are based on the non-homogenous definitions noted above.

The following table presents a vintage analysis of the commercial portfolio segment by loan sub-class and risk rating or delinquency status:

At December 31, 2024									
(in thousands)	2024	2023	2022	2021	2020	2019 and prior	Revolving	Revolving-term	Total
COMMERCIAL PORTFOLIO									
Non-owner occupied CRE									
Pass	\$ —	\$ 1,441	\$ 70,128	\$ 71,493	\$ 39,885	\$ 347,058	\$ (36)	\$ —	\$ 529,969
Special Mention	—	—	—	—	—	24,551	—	—	24,551
Substandard	—	—	—	—	—	16,230	—	—	16,230
Total	—	1,441	70,128	71,493	39,885	387,839	(36)	—	570,750
Multifamily									
Pass	1,650	106,415	1,538,855	643,044	257,110	255,643	—	—	2,802,717
Special Mention	—	—	66,217	4,789	73,308	23,835	—	—	168,149
Substandard	—	—	15,602	—	—	6,207	—	—	21,809
Total	1,650	106,415	1,620,674	647,833	330,418	285,685	—	—	2,992,675
Multifamily construction									
Pass	—	31,349	67,557	—	—	—	—	—	98,906
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	—	31,349	67,557	—	—	—	—	—	98,906
CRE construction									
Pass	19	7,198	—	—	—	—	—	—	7,217
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	3,821	—	—	—	3,821
Total	19	7,198	—	—	3,821	—	—	—	11,038
Single family construction									
Pass	121,305	22,412	5,346	7,252	—	69	164,442	—	320,826
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	121,305	22,412	5,346	7,252	—	69	164,442	—	320,826
Single family construction to permanent									
Current	6,153	9,719	17,598	7,977	523	—	—	—	41,970
Past due:									
30-59 days	—	—	—	—	—	—	—	—	—
60-89 days	—	—	—	—	—	—	—	—	—
90+ days	—	—	—	—	—	—	—	—	—
Total	6,153	9,719	17,598	7,977	523	—	—	—	41,970
Owner occupied CRE									
Pass	5,431	10,501	58,423	33,371	41,533	168,082	3	43	317,387
Special Mention	—	1,789	6,129	7,602	317	26,203	—	—	42,040
Substandard	—	—	331	—	—	2,239	—	—	2,570
Total	5,431	12,290	64,883	40,973	41,850	196,524	3	43	361,997
Commercial business									
Pass	26,706	15,721	36,209	20,347	28,207	28,836	123,003	700	279,729
Special Mention	—	—	959	2,380	638	615	386	—	4,978
Substandard	243	406	11,885	—	7,192	4,628	2,920	23	27,297
Total	26,949	16,127	49,053	22,727	36,037	34,079	126,309	723	312,004
Total commercial portfolio	\$ 161,507	\$ 206,951	\$ 1,895,239	\$ 798,255	\$ 452,534	\$ 904,196	\$ 290,718	\$ 766	\$ 4,710,166

The following table presents a vintage analysis of the consumer portfolio segment by loan sub-class and delinquency status:

		At December 31, 2024							
(in thousands)	2024	2023	2022	2021	2020	2019 and prior	Revolving	Revolving-term	Total
CONSUMER PORTFOLIO									
Single family									
Current	\$ 566	\$ 30,940	\$ 378,613	\$ 303,920	\$ 139,159	\$ 251,322	\$ —	\$ —	\$ 1,104,520
Past due:									
30-59 days	—	—	452	—	—	1,673	—	—	2,125
60-89 days	—	—	—	—	—	440	—	—	440
90+ days	—	—	—	—	—	2,010	—	—	2,010
Total	566	30,940	379,065	303,920	139,159	255,445	—	—	1,109,095
Home equity and other									
Current	1,606	936	1,528	126	85	1,932	399,531	4,449	410,193
Past due:									
30-59 days	25	4	1	—	—	—	474	62	566
60-89 days	—	3	4	—	—	—	626	—	633
90+ days	—	—	—	—	—	10	1,127	6	1,143
Total	1,631	943	1,533	126	85	1,942	401,758	4,517	412,535
Total consumer portfolio ⁽¹⁾	\$ 2,197	\$ 31,883	\$ 380,598	\$ 304,046	\$ 139,244	\$ 257,387	\$ 401,758	\$ 4,517	\$ 1,521,630
Total LHFI	\$ 163,704	\$ 238,834	\$ 2,275,837	\$ 1,102,301	\$ 591,778	\$ 1,161,583	\$ 692,476	\$ 5,283	\$ 6,231,796

(1) Includes \$1.3 million of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes in fair value recognized in the consolidated income statements.

The following table presents a vintage analysis of the commercial portfolio segment by loan sub-class and risk rating or delinquency status:

	At December 31, 2023								
(in thousands)	2023	2022	2021	2020	2019	2018 and prior	Revolving	Revolving-term	Total
COMMERCIAL PORTFOLIO									
Non-owner occupied CRE									
Pass	\$ 1,499	\$ 70,388	\$ 71,217	\$ 41,235	\$ 118,900	\$ 286,379	\$ 601	\$ —	\$ 590,219
Special Mention	—	—	—	—	686	34,177	—	—	34,863
Substandard	—	—	—	—	16,230	—	573	—	16,803
Total	1,499	70,388	71,217	41,235	135,816	320,556	1,174	—	641,885
Multifamily									
Pass	108,274	1,813,647	1,151,677	475,708	189,567	177,712	—	—	3,916,585
Special Mention	—	—	3,942	12,887	2,368	1,344	—	—	20,541
Substandard	—	—	—	—	—	3,063	—	—	3,063
Total	108,274	1,813,647	1,155,619	488,595	191,935	182,119	—	—	3,940,189
Multifamily construction									
Pass	(198)	56,013	112,234	—	—	—	—	—	168,049
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	(198)	56,013	112,234	—	—	—	—	—	168,049
CRE construction									
Pass	7	—	14,685	—	—	—	—	—	14,692
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	3,821	—	—	—	—	3,821
Total	7	—	14,685	3,821	—	—	—	—	18,513
Single family construction									
Pass	75,305	39,621	12,294	—	—	72	146,758	—	274,050
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	75,305	39,621	12,294	—	—	72	146,758	—	274,050
Single family construction to permanent									
Current	27,114	56,469	19,871	1,850	—	—	—	—	105,304
Past due:									
30-59 days	—	—	—	—	—	—	—	—	—
60-89 days	—	—	—	—	—	—	—	—	—
90+ days	—	—	—	—	—	—	—	—	—
Total	27,114	56,469	19,871	1,850	—	—	—	—	105,304
Owner occupied CRE									
Pass	12,459	68,399	39,629	43,399	65,392	111,199	2	1,122	341,601
Special Mention	1,871	1,478	9,290	—	2,956	28,784	—	—	44,379
Substandard	1	—	—	—	253	5,051	—	—	5,305
Total	14,331	69,877	48,919	43,399	68,601	145,034	2	1,122	391,285
Commercial business									
Pass	17,970	45,892	27,227	33,404	16,198	24,903	157,656	973	324,223
Special Mention	—	11,465	2,891	—	452	38	3,485	—	18,331
Substandard	—	—	2,134	7,601	3,788	1,886	1,021	65	16,495
Total	17,970	57,357	32,252	41,005	20,438	26,827	162,162	1,038	359,049
Total commercial portfolio	\$ 244,302	\$ 2,163,372	\$ 1,467,091	\$ 619,905	\$ 416,790	\$ 674,608	\$ 310,096	\$ 2,160	\$ 5,898,324

The following table presents a vintage analysis of the consumer portfolio segment by loan sub-class and delinquency status:

(in thousands)	At December 31, 2023								
	2023	2022	2021	2020	2019	2018 and prior	Revolving	Revolving-term	Total
CONSUMER PORTFOLIO									
Single family									
Current	\$ 27,011	\$ 354,691	\$ 313,866	\$ 147,183	\$ 49,126	\$ 245,574	\$ —	\$ —	\$ 1,137,451
Past due:									
30-59 days	—	—	—	—	—	781	—	—	781
60-89 days	—	—	—	—	—	1,374	—	—	1,374
90+ days	—	—	—	—	—	673	—	—	673
Total	27,011	354,691	313,866	147,183	49,126	248,402	—	—	1,140,279
Home equity and other									
Current	2,165	2,493	311	121	46	1,631	370,462	5,483	382,712
Past due:									
30-59 days	8	2	—	—	—	—	802	162	974
60-89 days	1	3	—	—	—	—	419	—	423
90+ days	—	—	—	—	—	24	162	6	192
Total	2,174	2,498	311	121	46	1,655	371,845	5,651	384,301
Total consumer portfolio ⁽¹⁾	\$ 29,185	\$ 357,189	\$ 314,177	\$ 147,304	\$ 49,172	\$ 250,057	\$ 371,845	\$ 5,651	\$ 1,524,580
Total LHFI	\$ 273,487	\$ 2,520,561	\$ 1,781,268	\$ 767,209	\$ 465,962	\$ 924,665	\$ 681,941	\$ 7,811	\$ 7,422,904

(1) Includes \$1.3 million of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes in fair value recognized in the consolidated income statements.

The following table presents a vintage analysis of the commercial and consumer portfolio segment by loan sub-class and gross charge-offs:

(in thousands)	At December 31, 2024								
	2024	2023	2022	2021	2020	2019 and prior	Revolving	Revolving-term	Total
COMMERCIAL PORTFOLIO									
Commercial business									
Gross charge-offs	\$ —	\$ —	\$ (276)	\$ (473)	\$ (1,077)	\$ (1,098)	\$ (39)	\$ —	\$ (2,963)
CONSUMER PORTFOLIO									
Home equity and other									
Gross charge-offs	—	(24)	(16)	(1)	—	—	(137)	—	(178)
Total LHFI	\$ —	\$ (24)	\$ (292)	\$ (474)	\$ (1,077)	\$ (1,098)	\$ (176)	\$ —	\$ (3,141)

(in thousands)	At December 31, 2023								
	2023	2022	2021	2020	2019	2018 and prior	Revolving	Revolving-term	Total
COMMERCIAL PORTFOLIO									
Commercial business									
Gross charge-offs	\$ —	\$ —	\$ (184)	\$ —	\$ (1,136)	\$ 295	\$ 13	\$ (50)	\$ (1,062)
CONSUMER PORTFOLIO									
Home equity and other									
Gross charge-offs	—	(106)	(22)	—	—	(4)	(187)	—	(319)
Total LHFI	\$ —	\$ (106)	\$ (206)	\$ —	\$ (1,136)	\$ 291	\$ (174)	\$ (50)	\$ (1,381)

Collateral Dependent Loans

The following table presents the amortized cost basis of collateral-dependent loans by loan sub-class and collateral type:

		At December 31, 2024					
(in thousands)	Land	1-4 Family	Multifamily	Non-residential real estate	Other non-real estate	Total	
CRE							
Non-owner occupied CRE	\$ —	\$ —	\$ —	\$ 16,230	\$ —	\$ 16,230	
Multifamily	—	—	1,915	—	—	1,915	
Construction/land development							
CRE construction	3,821	—	—	—	—	3,821	
Total	3,821	—	1,915	16,230	—	21,966	
Commercial and industrial loans							
Owner occupied CRE	—	—	—	205	—	205	
Commercial business	4,420	2,927	—	—	3,269	10,616	
Total	4,420	2,927	—	205	3,269	10,821	
Consumer loans							
Single family	—	832	—	—	—	832	
Total collateral-dependent loans	\$ 8,241	\$ 3,759	\$ 1,915	\$ 16,435	\$ 3,269	\$ 33,619	

		At December 31, 2023				
(in thousands)		1-4 Family	Non-residential real estate	Other non-real estate	Total	
CRE						
Non-owner occupied CRE		\$ 573	\$ 16,230	\$ —	\$ 16,803	
Construction/land development						
CRE construction		—	3,821	—	3,821	
Total		573	20,051	—	20,624	
Commercial and industrial loans						
Commercial business		2,788	5,471	4,587	12,846	
Total		2,788	5,471	4,587	12,846	
Consumer loans						
Single family		773	—	—	773	
Total collateral-dependent loans		\$ 4,134	\$ 25,522	\$ 4,587	\$ 34,243	

Nonaccrual and Past Due Loans

The following table presents nonaccrual status for loans:

(in thousands)	At December 31, 2024		At December 31, 2023	
	Nonaccrual with no related ACL	Total Nonaccrual	Nonaccrual with no related ACL	Total Nonaccrual
CRE				
Non-owner occupied CRE	\$ 16,230	\$ 16,230	\$ 16,803	\$ 16,803
Multifamily	1,915	1,915	—	—
Construction/land development				
CRE construction	3,821	3,821	3,821	3,821
Total	21,966	21,966	20,624	20,624
Commercial and industrial loans				
Owner occupied CRE	1,161	1,161	706	706
Commercial business	8,509	25,740	13,151	13,686
Total	9,670	26,901	13,857	14,392
Consumer loans				
Single family	1,106	2,990	773	2,650
Home equity and other	—	3,137	—	1,310
Total	1,106	6,127	773	3,960
Total nonaccrual loans	\$ 32,742	\$ 54,994	\$ 35,254	\$ 38,976

The following tables present an aging analysis of past due loans by loan portfolio segment and loan sub-class:

(in thousands)	At December 31, 2024						
	Past Due and Still Accruing			Nonaccrual	Total past due and nonaccrual	Current	Total loans
	30-59 days	60-89 days	90 days or more				
CRE							
Non-owner occupied CRE	\$ —	\$ —	\$ —	\$ 16,230	\$ 16,230	\$ 554,520	\$ 570,750
Multifamily	—	—	—	1,915	1,915	2,990,760	2,992,675
Construction/land development							
Multifamily construction	—	—	—	—	—	98,906	98,906
CRE construction	—	—	—	3,821	3,821	7,217	11,038
Single family construction	—	—	—	—	—	320,826	320,826
Single family construction to permanent	—	—	—	—	—	41,970	41,970
Total	—	—	—	21,966	21,966	4,014,199	4,036,165
Commercial and industrial loans							
Owner occupied CRE	—	—	—	1,161	1,161	360,836	361,997
Commercial business	—	—	—	25,740	25,740	286,264	312,004
Total	—	—	—	26,901	26,901	647,100	674,001
Consumer loans							
Single family	4,601	1,096	4,354 ⁽²⁾	2,990	13,041	1,096,054	1,109,095
Home equity and other	344	631	—	3,137	4,112	408,423	412,535
Total	4,945	1,727	4,354	6,127	17,153	1,504,477	1,521,630 ⁽³⁾
Total loans	\$ 4,945	\$ 1,727	\$ 4,354	\$ 54,994	\$ 66,020	\$ 6,165,776	\$ 6,231,796
%	0.08 %	0.03 %	0.07 %	0.88 %	1.06 %	98.94 %	100.00 %

At December 31, 2023

(in thousands)	Past Due and Still Accruing			Nonaccrual	Total past due and nonaccrual ⁽¹⁾	Current	Total loans
	30-59 days	60-89 days	90 days or more				
CRE							
Non-owner occupied CRE	\$ —	\$ —	\$ —	\$ 16,803	\$ 16,803	\$ 625,082	\$ 641,885
Multifamily	—	1,915	—	—	1,915	3,938,274	3,940,189
Construction/land development							
Multifamily construction	—	—	—	—	—	168,049	168,049
CRE construction	—	—	—	3,821	3,821	14,692	18,513
Single family construction	—	—	—	—	—	274,050	274,050
Single family construction to permanent	—	—	—	—	—	105,304	105,304
Total	—	1,915	—	20,624	22,539	5,125,451	5,147,990
Commercial and industrial loans							
Owner occupied CRE	—	—	—	706	706	390,579	391,285
Commercial business	—	—	—	13,686	13,686	345,363	359,049
Total	—	—	—	14,392	14,392	735,942	750,334
Consumer loans							
Single family	5,174	1,993	4,261 ⁽²⁾	2,650	14,078	1,126,201	1,140,279
Home equity and other	974	225	—	1,310	2,509	381,792	384,301
Total	6,148	2,218	4,261	3,960	16,587	1,507,993	1,524,580 ⁽³⁾
Total loans	\$ 6,148	\$ 4,133	\$ 4,261	\$ 38,976	\$ 53,518	\$ 7,369,386	\$ 7,422,904
%	0.08 %	0.05 %	0.06 %	0.53 %	0.72 %	99.28 %	100.00 %

(1) Includes loans whose repayments are insured by the FHA or guaranteed by the VA or SBA of \$11.3 million and \$12.4 million at December 31, 2024 and 2023, respectively.

(2) FHA-insured and VA-guaranteed single family loans that are 90 days or more past due are maintained on accrual status if they are determined to have little to no risk of loss.

(3) Includes \$1.3 million of loans at December 31, 2024 and 2023, where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes in fair value recognized in our consolidated income statements.

Loan Modifications

The Company provides MBFDs which may include delays in payment of amounts due, extension of the terms of the notes or reduction in the interest rates on the notes. In certain instances, the Company may grant more than one type of modification. The granting of modifications for the years ended December 31, 2024 and 2023 did not have a material impact on the ACL. The following tables provide information related to MBFDs for years ended December 31, 2024 and 2023 disaggregated by class of financing receivable and type of concession granted:

	Significant Payment Delay			
	Years Ended December 31,			
	2024		2023	
(in thousands, except percentages)	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable
Multifamily	\$ 1,915	0.06 %	\$ —	— %
Commercial business	1,446	0.46 %	839	0.23 %
Single family	85	0.01 %	1,082	0.09 %

	Term Extension			
	Years Ended December 31,			
	2024		2023	
(in thousands, except percentages)	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable
Commercial business	\$ 1,536	0.49 %	\$ 9,850	2.74 %
Single family	—	— %	273	0.02 %

	Interest Rate Reduction and Significant Payment Delay			
	Years Ended December 31,			
	2024		2023	
(in thousands, except percentages)	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable
Commercial business	\$ 4,420	1.42 %	\$ —	— %

	Significant Payment Delay and Term Extension			
	Years Ended December 31,			
	2024		2023	
(in thousands, except percentages)	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable
Non-owner occupied CRE	\$ 19,331	3.39 %	\$ 16,230	2.53 %
Construction/land development	—	— %	3,821	0.68 %
Owner occupied CRE	254	0.07 %	—	— %
Commercial business	410	0.13 %	—	— %
Single family	3,668	0.33 %	2,526	0.22 %

	Interest Rate Reduction, Significant Payment Delay and Term Extension			
	Years Ended December 31,			
	2024		2023	
(in thousands, except percentages)	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable	Amortized Cost Basis at Period End	% of Total Class of Financing Receivable
Construction/land development	\$ 3,821	0.81 %	\$ —	— %
Single family	—	— %	191	0.02 %

The following tables describes the financial effect of the MBFDs:

	Interest Rate Reduction	
	Years Ended December 31,	
	2024	2023
Construction/land development	Reduced weighted-average contractual interest rate from 7.75% to 5.00%.	—
Commercial business	Reduced weighted-average contractual interest rate from 7.75% to 5.00%.	—
Single family	—	Reduced weighted-average contractual interest rate from 5.25% to 5.00%.
	Significant Payment Delay	
	Years Ended December 31,	
	2024	2023
Non-owner occupied CRE	The weighted average duration of loan payments deferred is 0.8 years.	The weighted average duration of loan payments deferred is 3.7 years.
Multifamily	The weighted average duration of loan payments deferred is 1.5 years.	—
Construction/land development	The weighted average duration of loan payments deferred is 0.6 years.	The weighted average duration of loan payments deferred is 2.7 years.
Owner occupied CRE	The weighted average duration of loan payments deferred is 3.0 years.	—
Commercial business	The weighted average duration of loan payments deferred is 0.6 years.	The weighted average duration of loan payments deferred is 5.2 years.
Single family	Provided payment deferrals to borrowers. A weighted average 0.41% of loan balances were capitalized and added to the remaining term of the loan.	Provided payment deferrals to borrowers. A weighted average 0.37% of loan balances were capitalized and added to the remaining term of the loan.
	Term Extension	
	Years Ended December 31,	
	2024	2023
Non-owner occupied CRE	Added a weighted average 0.8 years to the life of loans, which reduced the monthly payment amounts to the borrowers.	Added a weighted average 2.1 years to the life of loans, which reduced the monthly payment amounts to the borrowers.
Construction/land development	Added a weighted average 0.6 years to the life of loans, which reduced the monthly payment amounts to the borrowers.	Added a weighted average 1.6 years to the life of loans, which reduced the monthly payment amounts to the borrowers.
Owner occupied CRE	Added a weighted average 3.0 years to the life of loans, which reduced the monthly payment amounts to the borrowers.	—
Commercial business	Added a weighted average 0.8 years to the life of loans, which reduced the monthly payment amounts to the borrowers.	Added a weighted average 1.2 years to the life of loans, which reduced the monthly payment amounts to the borrowers.
Single family	Added a weighted average 3.9 years to the life of loans, which reduced the monthly payment amounts to the borrowers.	Added a weighted average 4.9 years to the life of loans, which reduced the monthly payment amounts to the borrowers.

Upon determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

The following table depicts the payment status of loans that were modified to borrowers experiencing financial difficulties on or after October 1, 2023 through September 30, 2024:

(in thousands)	Payment Status (Amortized Cost Basis) at December 31, 2024		
	Current	30-89 Days Past Due	90+ Days Past Due
Multifamily	\$ —	\$ —	\$ 1,915
Commercial business	1,157	—	1,150
Single family	1,690	—	875
Total	\$ 2,847	\$ —	\$ 3,940

The following table depicts the payment status of loans that were modified to borrowers experiencing financial difficulties on or after October 1, 2022 through September 30, 2023:

(in thousands)	Payment Status (Amortized Cost Basis) at December 31, 2023		
	Current	30-89 Days Past Due	90+ Days Past Due
Non-owner occupied CRE	\$ 16,230	\$ —	\$ —
Construction/land development	3,821	—	—
Commercial business	8,873	976	—
Single family	2,627	1,285	324
Total	\$ 31,551	\$ 2,261	\$ 324

The following tables provide the amortized cost basis as of December 31, 2024 of MBFDs, on or after October 1, 2023 through September 30, 2024 and that subsequently had a payment default:

(in thousands)	Amortized Cost Basis of Modified Loans That Subsequently Defaulted Year Ended December 31, 2024				
	Significant Payment Delay	Term Extension	Interest Rate Reduction and Term Extension	Significant Payment Delay and Term Extension	Interest Rate Reduction, Significant Payment Delay and Term Extension
Commercial business	\$ —	\$ 1,150	\$ —	\$ —	\$ —
Single family	238	—	—	637	—
Total	\$ 238	\$ 1,150	\$ —	\$ 637	\$ —

The following tables provide the amortized cost basis as of December 31, 2023 of MBFDs, on or after October 1, 2022 through September 30, 2023 and subsequently had a payment default:

(in thousands)	Amortized Cost Basis of Modified Loans That Subsequently Defaulted Year Ended December 31, 2023				
	Significant Payment Delay	Term Extension	Interest Rate Reduction and Term Extension	Significant Payment Delay and Term Extension	Interest Rate Reduction, Significant Payment Delay and Term Extension
Commercial business	\$ —	\$ 976	\$ —	\$ —	\$ —
Single family	—	—	—	1,354	—
Total	\$ —	\$ 976	\$ —	\$ 1,354	\$ —

NOTE 4—PREMISES AND EQUIPMENT, NET:

Premises and equipment consisted of the following:

(in thousands)	At December 31,	
	2024	2023
Furniture and equipment	\$ 56,121	\$ 56,777
Leasehold improvements	37,265	38,870
Land and buildings	42,374	42,153
Total	135,760	137,800
Less: accumulated depreciation	(88,559)	(84,218)
Net	\$ 47,201	\$ 53,582

NOTE 5—DEPOSITS:

Deposit balances, including their weighted average rates, were as follows:

(dollars in thousands)	At December 31,			
	2024		2023	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
Noninterest-bearing demand deposits	\$ 1,195,781	— %	\$ 1,306,503	— %
Interest bearing:				
Interest-bearing demand deposits	323,112	0.35 %	344,748	0.25 %
Savings	229,659	0.06 %	261,508	0.06 %
Money market	1,396,697	1.72 %	1,622,665	1.79 %
Certificates of deposit				
Brokered deposits	751,406	4.61 %	1,218,008	5.36 %
Other	2,516,366	4.37 %	2,009,946	3.95 %
Total interest bearing deposits	5,217,240	3.31 %	5,456,875	3.19 %
Total deposits	\$ 6,413,021	2.65 %	\$ 6,763,378	2.58 %

There were \$315 million and \$255 million in public funds included in deposits at December 31, 2024 and 2023, respectively.

Certificates of deposit outstanding mature as follows:

(in thousands)	December 31, 2024
Within one year	\$ 3,157,293
One to two years	105,759
Two to three years	2,067
Three to four years	1,136
Four to five years	1,517
Total	\$ 3,267,772

The aggregate amount of time deposits in denominations of more than the FDIC limit of \$250,000 at December 31, 2024 and 2023 was \$265 million and \$194 million, respectively.

NOTE 6– BORROWINGS:

The Company regularly borrows funds through advances from the Des Moines FHLB. During 2024 and 2023, the Company borrowed funds from the Federal Reserve Bank ("FRB") under the Bank Term Funding Program ("BTFP") which was phased out in 2024. At December 31, 2023 the Company had \$645 million outstanding under the FRB BTFP.

The balances, maturity and rate of the outstanding borrowings from the FHLB and the FRB BTFP were as follows:

(dollars in thousands)	At December 31,			
	2024		2023	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate
Within one year	\$ 450,000	4.56 %	\$ 745,000	4.75 %
One to three years	550,000	4.35 %	450,000	4.56 %
Three through five years	—	— %	550,000	4.35 %
Total	\$ 1,000,000	4.44 %	\$ 1,745,000	4.58 %

At December 31, 2024 and 2023 the Bank had available borrowing capacity of \$1.3 billion and \$2.1 billion, respectively, from the FHLB, and \$1.6 billion and \$710 million, respectively, from the FRBSF.

The Bank is a member of the AFX, through which it may either borrow or lend funds on an overnight or short-term basis with a group of pre-approved commercial banks. The availability of funds changes daily and as of December 31, 2024 and 2023, there were no balances outstanding.

As of December 31, 2024 and 2023, the Company held \$50.7 million and \$55.3 million, respectively, of FHLB stock.

NOTE 7–LONG-TERM DEBT:

At December 31, 2024 and 2023, the Company had outstanding \$99 million and \$98 million respectively, of subordinated notes (the "Notes") which have a face amount of \$100 million, have a maturity date of January 30, 2032 and bear interest at a rate of 3.5% per annum until January 30, 2027. From January 30, 2027, until the maturity date or the date of earlier redemption, the Notes will bear interest equal to the three-month term Secured Overnight Financing Rate ("SOFR") plus 215 basis points.

At December 31, 2024 and 2023, the Company had outstanding \$65 million of Senior Notes which have a face amount of \$65 million, have a maturity date of June 1, 2026 and bear interest at a rate of 6.50% per annum.

The Company issued trust preferred securities ("TRUPS") during the period from 2005 through 2007, resulting in a debt balance of \$62 million outstanding at December 31, 2024 and 2023. In connection with the issuance of trust preferred securities, HomeStreet, Inc. issued to HomeStreet Statutory Trust, Junior Subordinated Deferrable Interest Debentures. The sole assets of the HomeStreet Statutory Trust are the Subordinated Debt Securities I, II, III, and IV.

The TRUPS outstanding as of December 31, 2024 and 2023 are as follows:

(dollars in thousands)	HomeStreet Statutory Trust			
	I	II	III	IV
Date issued	June 2005	September 2005	February 2006	March 2007
Amount	\$5,155	\$20,619	\$20,619	\$15,464
Interest rate ⁽¹⁾	3 MO SOFR + 1.96%	3 MO SOFR + 1.76%	3 MO SOFR + 1.63%	3 MO SOFR + 1.94%
Maturity date	June 2035	December 2035	March 2036	June 2037
Call option ⁽²⁾	Quarterly	Quarterly	Quarterly	Quarterly

(1) These rates reflect the floating rates as of December 31, 2024.

(2) Call options are exercisable at par and are callable, without penalty, on a quarterly basis.

NOTE 8—DERIVATIVES AND HEDGING ACTIVITIES:

To reduce the risk of significant interest rate fluctuations on the value of certain assets and liabilities, such as single family mortgage LHFS and MSRs, the Company utilizes derivatives as economic hedges. The notional amounts and fair values for derivatives, all of which are economic hedges, are included in other assets or accounts payable and other liabilities on the consolidated balance sheets, consist of the following:

(in thousands)	At December 31, 2024		
	Notional amount	Fair value derivatives	
		Asset	Liability
Forward sale commitments	\$ 87,912	\$ 237	\$ (402)
Interest rate lock commitments	16,757	175	(49)
Interest rate swaps	222,917	10,250	(10,250)
Futures	5,200	1	—
Options	5,800	3	—
Total derivatives before netting	\$ 338,586	10,666	(10,701)
Netting adjustment/Cash collateral ⁽¹⁾		(10,388)	219
Carrying value on consolidated balance sheet		\$ 278	\$ (10,482)

(in thousands)	At December 31, 2023		
	Notional amount	Fair value derivatives	
		Asset	Liability
Forward sale commitments	\$ 87,509	\$ 151	\$ (288)
Interest rate lock commitments	21,790	411	—
Interest rate swaps	235,521	10,489	(10,492)
Futures	12,200	—	(3)
Options	9,300	132	—
Total derivatives before netting	\$ 366,320	11,183	(10,783)
Netting adjustment/Cash collateral ⁽¹⁾		(10,119)	195
Carrying value on consolidated balance sheet		\$ 1,064	\$ (10,588)

(1) Includes net cash collateral received of \$10.2 million and \$9.9 million at December 31, 2024 and 2023, respectively.

The Company nets derivative assets and liabilities when a legally enforceable master netting agreement exists between the Company and the derivative counterparty. Derivatives are reported at their respective fair values in the other assets or accounts payable and other liabilities line items on the consolidated balance sheets, with changes in fair value reflected in current period earnings.

The following tables present gross fair value and net carrying value information for derivative instruments:

(in thousands)	Gross fair value	Netting adjustments/Cash collateral ⁽¹⁾	Carrying value
At December 31, 2024			
Derivative assets	\$ 10,666	\$ (10,388)	\$ 278
Derivative liabilities	(10,701)	219	(10,482)
At December 31, 2023			
Derivative assets	\$ 11,183	\$ (10,119)	\$ 1,064
Derivative liabilities	(10,783)	195	(10,588)

(1) Includes net cash collateral received of \$10.2 million and \$9.9 million at December 31, 2024 and 2023, respectively.

The collateral used under the Company's master netting agreements is typically cash, but securities may be used under agreements with certain counterparties. Receivables related to cash collateral that has been paid to counterparties are included in other assets. Payables related to cash collateral that has been received from counterparties are included in accounts payable and other liabilities. Interest is owed on amounts received from counterparties and we earn interest on cash paid to counterparties. Any securities pledged to counterparties as collateral remain on the consolidated balance sheets. At December 31, 2024 and 2023, the Company had liabilities of \$10.4 million and \$10.1 million, respectively, in cash collateral received from counterparties and receivables of \$195 thousand and \$218 thousand, respectively, in cash collateral paid to counterparties.

The following table presents the net gain (loss) recognized on economic hedge derivatives, within the respective line items in the consolidated income statements for the periods indicated:

(in thousands)	Years Ended December 31,	
	2024	2023
Recognized in noninterest income:		
Net gain (loss) on loan origination and sale activities ⁽¹⁾	\$ 224	\$ 804
Loan servicing income (loss) ⁽²⁾	(1,230)	(1,255)
Other ⁽³⁾	3	(3)

(1) Comprised of forward contracts used as an economic hedge of loans held for sale and interest rate lock commitments ("IRLCs") to customers.

(2) Comprised of futures, US Treasury options and forward contracts used as economic hedges of single family MSRs.

(3) Impact of interest rate swap agreements executed with commercial banking customers and broker dealer counterparties.

The notional amount of open interest rate swap agreements executed with commercial banking customers and broker dealer counterparties at December 31, 2024 and 2023 were \$223 million and \$236 million, respectively.

NOTE 9—MORTGAGE BANKING OPERATIONS:

LHFS consisted of the following:

(in thousands)	At December 31,	
	2024	2023
Single family	\$ 20,312	\$ 12,849
CRE, multifamily and SBA	—	6,788
Total	\$ 20,312	\$ 19,637

Loans sold consisted of the following for the periods indicated:

(in thousands)	Years Ended December 31,	
	2024	2023
Single family	\$ 404,952	\$ 335,751
CRE, multifamily and SBA ⁽¹⁾	1,103,742	26,839
Total	\$ 1,508,694	\$ 362,590

(1) 2024 amounts include the sale of \$990 million of multifamily loans in the fourth quarter.

Gain (loss) on loan origination and sale activities, including the effects of derivative risk management instruments, consisted of the following:

(in thousands)	Years Ended December 31,	
	2024	2023
Single family	\$ 9,573	\$ 8,500
CRE, multifamily and SBA ⁽¹⁾	(86,463)	846
Total	\$ (76,890)	\$ 9,346

(1) 2024 amounts include loss of \$88.8 million on the sale of \$990 million of multifamily loans in the fourth quarter.

The Company's portfolio of loans serviced for others is primarily comprised of loans held in U.S. government and agency MBS issued by Fannie Mae, Freddie Mac and Ginnie Mae. The unpaid principal balance of loans serviced for others is as follows:

(in thousands)	At December 31,	
	2024	2023
Single family	\$ 5,179,373	\$ 5,316,304
CRE, multifamily and SBA	1,918,172	1,900,039
Total	\$ 7,097,545	\$ 7,216,343

Under the terms of the sales agreements for single family loans sold to GSEs and other entities, the Company has made representations and warranties that the loans sold meet certain requirements. The Company may be required to repurchase mortgage loans or indemnify loan purchasers due to defects in the origination process of the loan, such as documentation errors, underwriting errors and judgments, early payment defaults and fraud. The total unpaid principal balance of loans sold on a servicing-retained basis that were subject to the terms and conditions of these representations and warranties totaled \$5.2 billion and \$5.3 billion as of December 31, 2024 and 2023, respectively. The following is a summary of changes in the Company's mortgage repurchase liability for single family loans sold on a servicing-retained basis included in accounts payable and other liabilities on the consolidated balance sheet for the periods indicated:

(in thousands)	Years Ended December 31,	
	2024	2023
Balance, beginning of period	\$ 1,481	\$ 2,232
Additions, net of adjustments ⁽¹⁾	(284)	(330)
Realized losses ⁽²⁾	(165)	(421)
Balance, end of period	\$ 1,032	\$ 1,481

(1) Includes additions for new loan sales and changes in estimated probable future repurchase losses on previously sold loans.

(2) Includes principal losses and accrued interest on repurchased loans, "make-whole" settlements, settlements with claimants and certain related expenses.

The Company has agreements with certain investors to advance scheduled principal and interest amounts on delinquent loans.

Advances are also made to fund the foreclosure and collection costs of delinquent loans prior to the recovery of reimbursable amounts from investors or borrowers. Advances of \$1.6 million and \$2.9 million were recorded in other assets as of December 31, 2024 and 2023, respectively.

When the Company has the unilateral right to repurchase Ginnie Mae pool loans it has previously sold (generally loans that are more than 90 days past due), the Company records the balance of the loans as other assets and other liabilities. At December 31, 2024 and 2023, delinquent or defaulted mortgage loans currently in Ginnie Mae pools that the Company has recognized on its consolidated balance sheets totaled \$5.1 million and \$5.6 million, respectively. The recognition of previously sold loans does not impact the accounting for the previously recognized MSRs.

Revenue from mortgage servicing, including the effects of derivative risk management instruments, consisted of the following:

(in thousands)	Years Ended December 31,	
	2024	2023
Servicing income, net:		
Servicing fees and other	\$ 25,798	\$ 26,134
Amortization of single family MSR ⁽¹⁾	(6,500)	(6,378)
Amortization of multifamily and SBA MSR ⁽¹⁾	(5,612)	(5,778)
Total	13,686	13,978
Risk management, single family MSR⁽¹⁾:		
Changes in fair value of MSR ⁽¹⁾ due to assumptions ⁽²⁾	1,743	414
Net gain (loss) from economic hedging ⁽³⁾	(2,932)	(1,744)
Total	(1,189)	(1,330)
Loan servicing income	\$ 12,497	\$ 12,648

(1) Represents changes due to collection/realization of expected cash flows and curtailments.

(2) Principally reflects changes in model assumptions, including prepayment speed assumptions, which are primarily reflected by changes in mortgage interest rates.

(3) The interest income from US Treasury notes securities used for hedging purposes, which is included in interest income on the consolidated income statements, was \$1.2 million and \$1.4 million in 2024 and 2023, respectively.

The Company determines fair value of single family MSR⁽¹⁾ using a valuation model that calculates the net present value of estimated future cash flows. Estimates of future cash flows include contractual servicing fees, ancillary income and costs of servicing, the timing of which are impacted by assumptions, primarily expected prepayment speeds and discount rates, which relate to the underlying performance of the loans. The changes in single family MSR⁽¹⁾ measured at fair value are as follows:

(in thousands)	Years Ended December 31,	
	2024	2023
Beginning balance	\$ 74,249	\$ 76,617
Additions and amortization:		
Originations	3,409	3,136
Purchases	—	460
Amortization ⁽¹⁾	(6,500)	(6,378)
Net additions and amortization	(3,091)	(2,782)
Changes in fair value assumptions⁽²⁾	1,743	414
Ending balance	\$ 72,901	\$ 74,249

(1) Represents changes due to collection/realization of expected cash flows and curtailments.

(2) Principally reflects changes in model assumptions, including prepayment speed assumptions, which are primarily affected by changes in mortgage interest rates.

Key economic assumptions used in measuring the initial fair value of capitalized single family MSR⁽¹⁾ were as follows:

(rates per annum) ⁽¹⁾	Years Ended December 31,	
	2024	2023
Constant prepayment rate ("CPR") ⁽²⁾	18.07 %	14.89 %
Discount rate	10.23 %	11.99 %

(1) Based on a weighted average.

(2) Represents the expected lifetime average CPR used in the model.

For single family MSR's, we use a discounted cash flow valuation technique which utilizes CPRs and discount rates as significant unobservable inputs as noted in the table below:

	At December 31, 2024		At December 31, 2023	
	Range of Inputs	Average ⁽¹⁾	Range of Inputs	Average ⁽¹⁾
CPRs	6.00% - 13.50%	6.60 %	6.80%- 32.50%	7.00 %
Discount Rates	10.00% - 17.00%	11.00 %	10.00% -17.00%	10.00 %

(1) Weighted averages of all the inputs within the range.

To compute hypothetical sensitivities of the value of our single MSR's to immediate adverse changes in key assumptions, we computed the impact of changes in CPRs and in discount rates as outlined below:

	At December 31, 2024
(dollars in thousands)	
Fair value of single family MSR's	\$ 72,901
Expected weighted-average life (in years)	8.37
CPR	
Impact on fair value of 25 basis points adverse change in interest rates	\$ (759)
Impact on fair value of 50 basis points adverse change in interest rates	\$ (1,594)
Discount rate	
Impact on fair value of 100 basis points increase	\$ (2,133)
Impact on fair value of 200 basis points increase	\$ (4,669)

Generally, increases in the CPR or the discount rate utilized in the fair value measurements of single family MSR's will result in a decrease in fair value. Conversely, decreases in the CPR or the discount rate will result in an increase in fair value. These sensitivities are hypothetical and subject to key assumptions of the underlying valuation model. As the table above demonstrates, the Company's methodology for estimating the fair value of MSR's is highly sensitive to changes in key assumptions. Changes in fair value resulting from changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the MSR's is calculated without changing any other assumption; in reality, changes in one factor may be associated with changes in another, which may magnify or counteract the sensitivities. Thus, any measurement of MSR fair value is limited by the conditions existing and assumptions made as of a particular point in time. Those assumptions may not be appropriate if they are applied to a different point in time.

MSR's resulting from the sale of multifamily loans are recorded at fair value and subsequently carried at the lower of amortized cost or fair value. Multifamily MSR's are amortized in proportion to, and over, the estimated period the net servicing income will be collected.

The changes in multifamily and SBA MSR's measured at LOCOM or fair value were as follows:

	Years Ended December 31,	
	2024	2023
(in thousands)		
Beginning balance	\$ 29,987	\$ 35,256
Origination	2,190	509
Amortization	(5,612)	(5,778)
Ending balance	\$ 26,565	\$ 29,987

Key economic assumptions used in measuring the initial fair value of capitalized multifamily MSR were as follows:

(rates per annum) ⁽¹⁾	Years Ended December 31,	
	2024	2023
Discount rate	13.10 %	13.00 %

(1) Based on a weighted average.

For multifamily MSRs, we use a discounted cash flow valuation technique which utilizes CPRs and discount rates as significant unobservable inputs as noted in the table below:

	At December 31, 2024		At December 31, 2023	
	Range of Inputs	Average ⁽¹⁾	Range of Inputs	Average ⁽¹⁾
Discount Rates	13.00% - 15.00%	13.10 %	13.00% - 15.00%	13.00 %

(1) Weighted averages of all the inputs within the range.

At December 31, 2024, the expected weighted-average life of the Company's multifamily and SBA MSRs was 11.41 years. Projected amortization expense for the gross carrying value of multifamily and SBA MSRs is estimated as follows:

(in thousands)	At December 31, 2024
2025	\$ 5,278
2026	4,807
2027	4,101
2028	3,645
2029	3,286
2030 and thereafter	5,448
Carrying value of multifamily and SBA MSRs	\$ 26,565

The projected amortization expense of multifamily and SBA MSRs is an estimate and subject to key assumptions of the underlying valuation model. The amortization expense for future periods was calculated by applying the same quantitative factors, such as actual MSR prepayment experience and discount rates, which were used to determine amortization expense. These factors are inherently subject to significant fluctuations, primarily due to the effect that changes in interest rates may have on expected loan prepayment experience. Accordingly, any projection of MSR amortization in future periods is limited by the conditions that existed at the time the calculations were performed and may not be indicative of actual amortization expense that will be recorded in future periods.

NOTE 10—COMMITMENTS, GUARANTEES AND CONTINGENCIES:

Commitments

In the ordinary course of business, the Company extends secured and unsecured open-end loans to meet the financing needs of its customers. In addition, the Company makes certain unfunded loan commitments as part of its lending activities that have not been recognized in the Company's financial statements. These include commitments to extend credit made as part of the Company's lending activities on loans the Company intends to hold in its LHF1 portfolio.

These commitments include the following:

(in thousands)	At December 31,	
	2024	2023
Unused consumer portfolio lines	\$ 609,930	\$ 586,904
Commercial portfolio lines ⁽¹⁾	523,415	648,609
Commitments to fund loans	56,417	38,426
Total	\$ 1,189,762	\$ 1,273,939

(1) Within the commercial portfolio, undistributed construction loan proceeds, where the Company has an obligation to advance funds for construction progress payments of \$306 million and \$403 million at December 31, 2024 and 2023, respectively.

The total amounts of unused commitments do not necessarily represent future credit exposure or cash requirements in that commitments may expire without being drawn upon. The Company has recorded an ACL on unfunded loan commitments, included in accounts payable and other liabilities on the consolidated balance sheets of \$1.1 million and \$1.8 million at December 31, 2024 and 2023, respectively.

The Company has entered into certain agreements to invest in qualifying small businesses and small enterprises and a tax exempt bond partnership that have not been recognized in the Company's financial statements. At December 31, 2024 and 2023 we had \$9.9 million and \$10.7 million, respectively, of future commitments to invest in these enterprises.

Guarantees

In the ordinary course of business, the Company sells loans through the Fannie Mae Multifamily Delegated Underwriting and Servicing Program ("DUS"[®]) that are subject to a credit loss sharing arrangement. The Company services the loans for Fannie Mae and shares in the risk of loss with Fannie Mae under the terms of the DUS contracts. Under the DUS program, the Company and Fannie Mae share losses on a pro rata basis, where the Company is responsible for losses incurred up to one-third of the principal balance on each loan with two-thirds of the loss covered by Fannie Mae. For loans that have been sold through this program, a liability is recorded for this loss sharing arrangement under the accounting guidance for guarantees. As of December 31, 2024 and 2023, the total unpaid principal balance of loans sold under this program was \$1.8 billion. The Company's reserve liability related to this arrangement totaled \$0.7 million and \$0.5 million at December 31, 2024 and 2023, respectively. There were no actual losses incurred under this arrangement during 2024 and 2023.

Contingencies

In the normal course of business, the Company may have various legal claims and other similar contingent matters outstanding for which a loss may be realized. For these claims, the Company establishes a liability for contingent losses when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. For claims determined to be reasonably possible but not probable of resulting in a loss, there may be a range of possible losses in excess of the established liability. The Company did not have any material amounts reserved for legal claims as of December 31, 2024.

NOTE 11—INCOME TAXES:

Income tax (benefit) expense consisted of the following:

(in thousands)	Years Ended December 31,	
	2024	2023
Current expense (benefit)		
Federal	\$ 6,731	\$ 2,900
State and local	(841)	980
Deferred expense (benefit)		
Federal	(30,836)	(7,407)
State and local	(4,532)	(1,722)
Total	(29,478)	(5,249)
Deferred tax assets valuation allowance	53,310	—
Income tax expense (benefit)	\$ 23,832	\$ (5,249)

Income tax expense (benefit) differed from amounts computed at the federal income tax statutory rate as follows:

(in thousands, except rate)	Years Ended December 31,			
	2024		2023	
	Rate	Amount	Rate	Amount
Income (loss) before income taxes		\$ (120,512)		\$ (32,757)
Federal tax statutory rate	21.00 %	(25,308)	21.00 %	(6,879)
State tax - net of federal tax benefit	3.63 %	(4,380)	4.12 %	(1,351)
Tax-exempt investments	0.65 %	(788)	3.86 %	(1,266)
Low income housing tax benefits	0.91 %	(1,093)	3.20 %	(1,047)
Stock-based compensation expense	(0.55)%	672	(1.28)%	421
Goodwill	— %	—	(14.13)%	4,627
Other	(1.18)%	1,419	(0.75)%	246
Total	24.46 %	(29,478)	16.02 %	(5,249)
Change in valuation allowance		53,310		—
Total		\$ 23,832		\$ (5,249)

The following is a summary of the Company's deferred tax assets and liabilities:

(in thousands)	At December 31,	
	2024	2023
Deferred tax assets		
Provision for credit losses	\$ 10,220	\$ 10,977
Unrealized loss on investments AFS	28,343	28,571
LIHTC tax credits carryforwards	5,667	—
Net operating loss carryforwards	26,736	370
Accrued liabilities	2,241	1,917
Other investments	786	463
Lease liabilities	8,071	9,019
Nonaccrual interest	1,695	1,112
Intangibles	4,796	4,725
Stock based compensation	849	782
Loan valuation	240	274
Premises and equipment	681	—
Other	457	401
Total	90,782	58,611
Deferred tax liabilities		
Mortgage servicing rights	(22,805)	(24,204)
Deferred loan fees and costs	(8,465)	(8,967)
Lease right-of-use assets	(6,202)	(6,906)
Premises and equipment	—	(364)
Total	(37,472)	(40,441)
Net deferred tax asset (liability)	53,310	18,170
Valuation allowance	(53,310)	—
Total	\$ —	\$ 18,170

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to fully utilize the existing deferred tax assets. As of December 31, 2024, management determined that sufficient

evidence did not exist to support the future utilization of all of the Company's deferred tax assets. As a result the Company recorded a \$53.3 million deferred tax assets valuation allowance.

During 2024, the Company created federal and state net operating loss carryforwards of \$111.9 million and \$111.0 million, respectively. The federal net operating loss carryforwards do not expire while the state net operating loss carryforwards generally expire in 2044. The Company's LIHTC tax credits carryforwards expire in 2043 \$0.4 million and 2044 \$5.3 million.

The Company has state net operating loss carryforwards related to acquisitions in prior years of \$4.3 million and \$4.4 million as of December 31, 2024 and 2023, respectively, that will expire at various dates from 2025 to 2036. Utilization of net operating loss carryforwards is subject to an annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986, as amended.

Retained earnings at December 31, 2024 and 2023 include approximately \$12.7 million in tax basis bad debt reserves for which no income tax liability has been recorded. This represents the balance of bad debt reserves created for tax purposes as of December 31, 1987. These amounts are subject to recapture (i.e., included in taxable income) if certain events occur, such as in the event HomeStreet Bank ceases to be a bank. In the event of recapture, the Company will incur both federal and state tax liabilities on this pre-1988 bad debt reserve balance at the then prevailing corporate tax rates.

The Company had no recorded unrecognized tax position as of December 31, 2024 or 2023.

We are currently under examination, or subject to examination, by various U.S. federal and state taxing authorities. The Company is no longer subject to federal income tax examinations for tax years prior to 2021 or state income tax examination for tax years prior to 2020, generally.

NOTE 12—RETIREMENT BENEFIT PLAN:

The Company maintains a 401(k) Savings Plan for the benefit of its employees. Substantially all of the Company's employees are eligible to participate in the HomeStreet, Inc. 401(k) Savings Plan (the "Plan"). The Plan provides for payment of retirement benefits to employees pursuant to the provisions of the Plan and in conformity with Section 401(k) of the Internal Revenue Code. Employees may elect to have a portion of their salary contributed to the Plan. Participants receive a vested employer matching contribution equal to 100% of the first 3.0% and 50% of the next 2.0% of eligible compensation deferred by the participant. Employer contributions of \$3.2 million and \$3.4 million were incurred in 2024 and 2023, respectively.

NOTE 13—FAIR VALUE MEASUREMENT:

The term "fair value" is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The Company's approach is to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements.

Fair Value Hierarchy

A three-level valuation hierarchy has been established under ASC 820 for disclosure of fair value measurements. The valuation hierarchy is based on the observability of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The levels are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability for substantially the full term of the financial instrument.
- Level 3 – Unobservable inputs for the asset or liability. These inputs reflect the Company's assumptions of what market participants would use in pricing the asset or liability.

The Company's policy regarding transfers between levels of the fair value hierarchy is that all transfers are assumed to occur at the end of the reporting period.

Estimation of Fair Value

Fair value is based on quoted market prices, when available. In cases where a quoted price for an asset or liability is not available, the Company uses valuation models to estimate fair value. These models incorporate inputs such as forward yield curves, loan prepayment assumptions, expected loss assumptions, market volatilities and pricing spreads utilizing market-based inputs where readily available. The Company believes its valuation methods are appropriate and consistent with those that would be used by other market participants. However, imprecision in estimating unobservable inputs and other factors may result in these fair value measurements not reflecting the amount realized in an actual sale or transfer of the asset or liability in a current market exchange.

The following table summarizes the fair value measurement methodologies, including significant inputs and assumptions and classification of the Company's assets and liabilities valued at fair value on a recurring basis.

Asset/Liability class	Valuation methodology, inputs and assumptions	Classification
Investment securities		
Trading securities	Fair Value is based on quoted prices in an active market.	Level 1 recurring fair value measurement.
Investment securities AFS	Observable market prices of identical or similar securities are used where available.	Level 2 recurring fair value measurement.
	If market prices are not readily available, value is based on discounted cash flows using the following significant inputs: <ul style="list-style-type: none"> • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments 	Level 3 recurring fair value measurement.
LHFS		
Single family loans, excluding loans transferred from held for investment	Fair value is based on observable market data, including: <ul style="list-style-type: none"> • Quoted market prices, where available • Dealer quotes for similar loans • Forward sale commitments 	Level 2 recurring fair value measurement.
	When not derived from observable market inputs, fair value is based on discounted cash flows, which considers the following inputs: <ul style="list-style-type: none"> • Benchmark yield curve • Estimated discount spread to the benchmark yield curve • Expected prepayment speeds 	Estimated fair value classified as Level 3.
Mortgage servicing rights		
Single family MSRs	For information on how the Company measures the fair value of its single family MSRs, including key economic assumptions and the sensitivity of fair value to changes in those assumptions, see Note 9, <i>Mortgage Banking Operations</i> .	Level 3 recurring fair value measurement.
Derivatives		
Futures and Options	Fair value is based on closing exchange prices.	Level 1 recurring fair value measurement.
Forward sale commitments	Fair value is based on quoted prices for identical or similar instruments when available. When quoted prices are not available, fair value is based on internally developed modeling techniques, which require the use of multiple observable market inputs, including: <ul style="list-style-type: none"> • Forward interest rates • Interest rate volatilities 	Level 2 recurring fair value measurement.
Interest rate swaps		
IRLC	The fair value considers several factors including: <ul style="list-style-type: none"> • Fair value of the underlying loan based on quoted prices in the secondary market, when available. • Value of servicing • Fall-out factor 	Level 3 recurring fair value measurement.

The following tables presents the levels of the fair value hierarchy for the Company's assets and liabilities measured at fair value on a recurring basis:

(in thousands)	At December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Trading securities - U.S. Treasury securities	\$ 34,746	\$ 34,746	\$ —	\$ —
Investment securities AFS				
Mortgage backed securities:				
Residential	167,462	—	165,764	1,698
Commercial	47,642	—	47,642	—
Collateralized mortgage obligations:				
Residential	317,444	—	317,444	—
Commercial	54,945	—	54,945	—
Municipal bonds	378,259	—	378,259	—
Corporate debt securities	24,944	—	24,944	—
U.S. Treasury securities	19,987	—	19,987	—
Agency debentures	9,276	—	9,276	—
Single family LHFS	20,312	—	20,312	—
Single family LHFI	1,287	—	—	1,287
Single family mortgage servicing rights	72,901	—	—	72,901
Derivatives				
Futures	1	1	—	—
Forward sale commitments	237	—	237	—
Options	3	3	—	—
Interest rate lock commitments	175	—	—	175
Interest rate swaps	10,250	—	10,250	—
Total assets	<u>\$ 1,159,871</u>	<u>\$ 34,750</u>	<u>\$ 1,049,060</u>	<u>\$ 76,061</u>
Liabilities:				
Derivatives				
Forward sale commitments	\$ 402	\$ —	\$ 402	\$ —
Interest rate lock commitments	49	—	—	49
Interest rate swaps	10,250	—	10,250	—
Total liabilities	<u>\$ 10,701</u>	<u>\$ —</u>	<u>\$ 10,652</u>	<u>\$ 49</u>

(in thousands)	At December 31, 2023			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Trading securities - U.S. Treasury securities	\$ 24,698	\$ 24,698	\$ —	\$ —
Investment securities AFS				
Mortgage backed securities:				
Residential	183,798	—	181,938	1,860
Commercial	47,756	—	47,756	—
Collateralized mortgage obligations:				
Residential	439,738	—	439,738	—
Commercial	57,397	—	57,397	—
Municipal bonds	404,874	—	404,874	—
Corporate debt securities	38,547	—	38,547	—
U.S. Treasury securities	20,184	—	20,184	—
Agency debentures	58,905	—	58,905	—
Single family LHFS	12,849	—	12,849	—
Single family LHFI	1,280	—	—	1,280
Single family mortgage servicing rights	74,249	—	—	74,249
Derivatives				
Forward sale commitments	151	—	151	—
Options	132	132	—	—
Interest rate lock commitments	411	—	—	411
Interest rate swaps	10,489	—	10,489	—
Total assets	\$ 1,375,458	\$ 24,830	\$ 1,272,828	\$ 77,800
Liabilities:				
Derivative				
Futures	\$ 3	\$ 3	\$ —	\$ —
Forward sale commitments	288	—	288	—
Interest rate swaps	10,492	—	10,492	—
Total liabilities	\$ 10,783	\$ 3	\$ 10,780	\$ —

There were no transfers between levels of the fair value hierarchy during 2024 and 2023.

Level 3 Recurring Fair Value Measurements

The Company's level 3 recurring fair value measurements consist of investment securities AFS, single family MSRs, single family LHFI where fair value option was elected, certain single family LHFS and IRCLs, which are accounted for as derivatives. For information regarding fair value changes and activity for single family MSRs during 2024 and 2023, see Note 9, *Mortgage Banking Operations*.

The fair value of IRLCs considers several factors, including the fair value in the secondary market of the underlying loan resulting from the exercise of the commitment, the expected net future cash flows related to the associated servicing of the loan (referred to as the value of servicing) and the probability that the commitment will not be converted into a funded loan (referred to as a fall-out factor). The fair value of IRLCs on LHFS, while based on interest rates observable in the market, is highly dependent on the ultimate closing of the loans. The significance of the fall-out factor to the fair value measurement of an individual IRLC is generally highest at the time that the rate lock is initiated and declines as closing procedures are performed and the underlying loan gets closer to funding. The fall-out factor applied is based on historical experience. The value of servicing is impacted by a variety of factors, including prepayment assumptions, discount rates, delinquency rates, contractually specified servicing fees, servicing costs and underlying portfolio characteristics. Because these inputs are not observable in market trades, the fall-out factor and value of servicing are considered to be level 3 inputs. The fair value of IRLCs decreases in value upon an increase in the fall-out factor and increases in value upon an increase in the value of servicing. Changes in the fall-out factor and value of servicing do not increase or decrease based on movements in other significant unobservable inputs.

The Company recognizes unrealized gains and losses from the time that an IRLC is initiated until the gain or loss is realized at the time the loan closes, which generally occurs within 30-90 days. For IRLCs that fall out, any unrealized gain or loss is reversed, which generally occurs at the end of the commitment period. The gains and losses recognized on IRLC derivatives generally correlates to volume of single family interest rate lock commitments made during the reporting period (after adjusting for estimated fall-out) while the amount of unrealized gains and losses realized at settlement generally correlates to the volume of single family closed loans during the reporting period.

The Company uses the discounted cash flow model to estimate the fair value of certain loans that have been transferred from held for sale to held for investment and single family LHFS when the fair value of the loans is not derived using observable market inputs. The key assumption in the valuation model is the implied spread to benchmark interest rate curve. The implied spread is not directly observable in the market and is derived from third party pricing which is based on market information from comparable loan pools. The fair value estimate of single family loans that have been transferred from held for sale to held for investment are sensitive to changes in the benchmark interest rate which might result in a significantly higher or lower fair value measurement.

The Company transferred certain loans from held for sale to held for investment. These loans were originated as held for sale loans where the Company had elected the fair value option. The Company determined these loans to be level 3 recurring assets as the valuation technique included a significant unobservable input. The total amount of held for investment loans where fair value option election was made was \$1.3 million at December 31, 2024 and 2023.

The following information presents significant Level 3 unobservable inputs used to measure fair value of certain assets:

(dollars in thousands)	Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
December 31, 2024						
Investment securities AFS	\$ 1,698	Income approach	Implied spread to benchmark interest rate curve	2.25%	2.25%	2.25%
Single family LHFI	1,287	Income approach	Implied spread to benchmark interest rate curve	2.94%	5.56%	3.69%
Interest rate lock commitments, net	126	Income approach	Fall-out factor	0.83%	29.13%	9.28%
			Value of servicing	0.78%	2.15%	1.37%
December 31, 2023						
Investment securities AFS	\$ 1,860	Income approach	Implied spread to benchmark interest rate curve	2.25%	2.25%	2.25%
Single family LHFI	1,280	Income approach	Implied spread to benchmark interest rate curve	3.30%	5.04%	3.94%
Interest rate lock commitments, net	411	Income approach	Fall-out factor	0.81%	41.64%	10.54%
			Value of servicing	0.32%	0.80%	0.57%

We had no LHFS where the fair value was not derived with significant observable inputs at December 31, 2024 or 2023.

The following table presents fair value changes and activity for certain Level 3 assets:

(in thousands)	Beginning balance	Additions	Transfers	Payoffs/Sales	Change in mark to market ⁽¹⁾	Ending balance
Year Ended December 31, 2024						
Investment securities AFS	\$ 1,860	\$ —	\$ —	\$ (200)	\$ 38	\$ 1,698
Single family LHFI	1,280	—	—	—	7	1,287
Year Ended December 31, 2023						
Investment securities AFS	\$ 2,009	\$ —	\$ —	\$ (192)	\$ 43	\$ 1,860
Single family LHFI	5,868	—	—	(4,607)	19	1,280

(1) Changes in fair value for single family LHFI are recorded in other noninterest income on the consolidated income statements.

The following table presents fair value changes and activity for Level 3 interest rate lock commitments:

(in thousands)	Years Ended December 31,	
	2024	2023
Beginning balance, net	\$ 411	\$ 105
Total realized/unrealized gains	3,770	2,334
Settlements	(4,055)	(2,028)
Ending balance, net	\$ 126	\$ 411

Nonrecurring Fair Value Measurements

Certain assets held by the Company are not included in the tables above but are measured at fair value on a periodic basis. These assets include certain LHFIs and OREOs that are carried at the lower of cost or fair value of the underlying collateral, less the estimated cost to sell. The estimated fair values of real estate collateral are generally based on internal evaluations and appraisals of such collateral, which use the market approach and income approach methodologies. We have omitted disclosure related to quantitative inputs given the insignificance of assets measured on a nonrecurring basis.

The fair value of commercial properties are generally based on third-party appraisals that consider recent sales of comparable properties, including their income-generating characteristics, adjusted (generally based on unobservable inputs) to reflect the general assumptions that a market participant would make when analyzing the property for purchase. The Company uses a fair value of collateral technique to apply adjustments to the appraisal value of certain commercial LHFIs that are collateralized by real estate.

The Company uses a fair value of collateral technique to apply adjustments to the stated value of certain commercial LHFIs that are not collateralized by real estate and to the appraisal value of OREOs.

Residential properties are generally based on unadjusted third-party appraisals. Factors considered in determining the fair value include geographic sales trends, the value of comparable surrounding properties as well as the condition of the property.

These adjustments include management assumptions that are based on the type of collateral dependent loan and may increase or decrease an appraised value. Management adjustments vary significantly depending on the location, physical characteristics and income producing potential of each individual property. The quality and volume of market information available at the time of the appraisal can vary from period-to-period and cause significant changes to the nature and magnitude of the unobservable inputs used. Given these variations, changes in these unobservable inputs are generally not a reliable indicator for how fair value will increase or decrease from period to period.

The following tables presents assets classified as Level 3 assets that had changes in their recorded fair value during 2024 and 2023 and what we still held at the end of the respective reporting period:

(in thousands)	Fair Value	Total Gains (Losses)
As of or for the year ended December 31, 2024		
LHFI ⁽¹⁾	\$ 3,269	\$ (3,114)
As of or for the year ended December 31, 2023		
LHFI ⁽¹⁾	\$ 4,349	\$ (1,410)

(1) Represents the carrying value of loans for which adjustments are based on the fair value of the collateral.

Fair Value of Financial Instruments

The following presents the carrying value, estimated fair value and the levels of the fair value hierarchy for the Company's financial instruments other than assets and liabilities measured at fair value on a recurring basis:

		At December 31, 2024				
(in thousands)	Carrying Value	Fair Value	Level 1	Level 2	Level 3	
Assets:						
Cash and cash equivalents	\$ 406,600	\$ 406,600	\$ 406,600	\$ —	\$ —	
Investment securities HTM	2,301	2,273	—	2,273	—	
LHFI	6,191,766	5,864,426	—	—	5,864,426	
Mortgage servicing rights – multifamily and SBA	26,565	32,361	—	—	32,361	
Federal Home Loan Bank stock	50,676	50,676	—	50,676	—	
Other assets - GNMA EBO loans	5,111	5,111	—	—	5,111	
Liabilities:						
Certificates of deposit	\$ 3,267,772	\$ 3,262,350	\$ —	\$ 3,262,350	\$ —	
Borrowings	1,000,000	1,001,873	—	1,001,873	—	
Long-term debt	225,131	184,124	—	184,124	—	

		At December 31, 2023				
(in thousands)	Carrying Value	Fair Value	Level 1	Level 2	Level 3	
Assets:						
Cash and cash equivalents	\$ 215,664	\$ 215,664	\$ 215,664	\$ —	\$ —	
Investment securities HTM	2,371	2,331	—	2,331	—	
LHFI	7,381,124	7,002,028	—	—	7,002,028	
LHFS multifamily and other	6,788	6,871	—	6,871	—	
Mortgage servicing rights – multifamily and SBA	29,987	35,292	—	—	35,292	
Federal Home Loan Bank stock	55,293	55,293	—	55,293	—	
Other assets - GNMA EBO loans	5,617	5,617	—	—	5,617	
Liabilities:						
Certificates of deposit	\$ 3,227,954	\$ 3,216,665	\$ —	\$ 3,216,665	\$ —	
Borrowings	1,745,000	1,750,023	—	1,750,023	—	
Long-term debt	224,766	132,996	—	132,996	—	

Fair Value Option

Single family loans held for sale accounted for under the fair value option are measured initially at fair value with subsequent changes in fair value recognized in earnings. Gains and losses from such changes in fair value are recognized in net gain on mortgage loan origination and sale activities within noninterest income. The change in fair value of loans held for sale is primarily driven by changes in interest rates subsequent to loan funding and changes in fair value of the related servicing asset, resulting in revaluations adjustments to the recorded fair value. The use of the fair value option allows the change in the fair

value of loans to more effectively offset the change in fair value of derivative instruments that are used as economic hedges of loans held for sale.

The following table presents the difference between the aggregate fair value and the aggregate unpaid principal balance of loans held for sale accounted for under the fair value option:

(in thousands)	At December 31, 2024			At December 31, 2023		
	Fair Value	Aggregate Unpaid Principal Balance	Fair Value Less Aggregate Unpaid Principal Balance	Fair Value	Aggregate Unpaid Principal Balance	Fair Value Less Aggregate Unpaid Principal Balance
Single family LHFS	\$ 20,312	\$ 20,137	\$ 175	\$ 12,849	\$ 12,583	\$ 266

NOTE 14—REGULATORY CAPITAL REQUIREMENTS:

The Company and Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a material effect on the Company's operations and financial statements. Under capital adequacy guidelines, we must meet specific capital guidelines that involve quantitative measures of our assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company and Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about risk components, asset risk weighting, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to assets (as defined). Management believes, as of December 31, 2024 that the Company and the Bank met all capital adequacy requirements. The following table presents the capital and capital ratios of the Company (on a consolidated basis) and the Bank (on a stand-alone basis) as of the respective dates and as compared to the respective regulatory requirements applicable to them:

(dollars in thousands)	At December 31, 2024					
	Actual		For Minimum Capital Adequacy Purposes		To Be Categorized As "Well Capitalized" Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeStreet, Inc.						
Tier 1 leverage capital (to average assets) ⁽¹⁾	\$ 537,057	5.77 %	\$ 372,319	4.0 %	NA	NA
Common equity tier 1 capital (to risk-weighted assets)	477,057	8.62 %	249,109	4.5 %	NA	NA
Tier 1 risk-based capital (to risk-weighted assets)	537,057	9.70 %	332,145	6.0 %	NA	NA
Total risk-based capital (to risk-weighted assets)	677,225	12.23 %	442,860	8.0 %	NA	NA
HomeStreet Bank						
Tier 1 leverage capital (to average assets)	\$ 678,869	7.30 %	\$ 372,132	4.0 %	\$ 465,165	5.0 %
Common equity tier 1 capital (to risk-weighted assets)	678,869	12.27 %	249,000	4.5 %	359,667	6.5 %
Tier 1 risk-based capital (to risk-weighted assets)	678,869	12.27 %	332,001	6.0 %	442,667	8.0 %
Total risk-based capital (to risk-weighted assets)	720,498	13.02 %	442,667	8.0 %	553,334	10.0 %

At December 31, 2023

(dollars in thousands)	Actual		For Minimum Capital Adequacy Purposes		To Be Categorized As "Well Capitalized" Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeStreet, Inc.						
Tier 1 leverage capital (to average assets)	\$ 675,440	7.04 %	\$ 383,696	4.0 %	NA	NA
Common equity tier 1 capital (to risk-weighted assets)	615,440	9.66 %	286,709	4.5 %	NA	NA
Tier 1 risk-based capital (to risk-weighted assets)	675,440	10.60 %	382,279	6.0 %	NA	NA
Total risk-based capital (to risk-weighted assets)	818,075	12.84 %	509,705	8.0 %	NA	NA
HomeStreet Bank						
Tier 1 leverage capital (to average assets)	\$ 814,719	8.50 %	\$ 383,482	4.0 %	\$ 479,352	5.0 %
Common equity tier 1 capital (to risk-weighted assets)	814,719	12.79 %	286,569	4.5 %	413,933	6.5 %
Tier 1 risk-based capital (to risk-weighted assets)	814,719	12.79 %	382,092	6.0 %	509,456	8.0 %
Total risk-based capital (to risk-weighted assets)	858,992	13.49 %	509,456	8.0 %	636,820	10.0 %

As of each of the dates set forth in the above table, the Company exceeded the minimum required capital ratios applicable to it and Bank's capital ratios exceeded the minimums necessary to qualify as a well-capitalized depository institution under the prompt corrective action regulations. No conditions or events have occurred since December 31, 2024 that we believe have changed the Company's or the Bank's capital adequacy classifications from those set forth in the above table.

In addition to the minimum capital ratios, both the Company and the Bank are required to maintain a "conservation buffer" consisting of additional Common Equity Tier 1 Capital which is at least 2.5% above the required minimum levels in order to avoid limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses. The required ratios for capital adequacy set forth in the above table do not include the additional capital conservation buffer, though each of the Company and Bank maintained capital ratios necessary to satisfy the capital conservation buffer requirements as of the dates indicated. At December 31, 2024, capital conservation buffers for the Company and the Bank were 3.70% and 5.02%, respectively. The following table sets forth the minimum capital ratios plus the applicable increment of the capital conservation buffer:

Common equity to Tier-1 to risk-weighted assets	7.00 %
Tier 1 capital to risk-weighted assets	8.50 %
Total capital to risk-weighted assets	10.50 %

NOTE 15—EARNINGS PER SHARE:

The following table summarizes the calculation of earnings per share:

(in thousands, except share and per share data)	Years Ended December 31,	
	2024	2023
Net income (loss)	\$ (144,344)	\$ (27,508)
Weighted average shares:		
Basic weighted-average number of common shares outstanding	18,857,392	18,783,005
Dilutive effect of outstanding common stock equivalents ⁽¹⁾	—	—
Diluted weighted-average number of common shares outstanding	18,857,392	18,783,005
Net income (loss) per share		
Basic earnings per share	\$ (7.65)	\$ (1.46)
Diluted earnings per share	\$ (7.65)	\$ (1.46)

(1) Excluded from the computation of diluted earnings per share (due to their antidilutive effect) for the years ended December 31, 2024 and 2023 were certain unvested RSUs and PSUs. The aggregate number of common stock unvested restricted shares, which could potentially be dilutive in future periods, was 540,354 and 217,153 at December 31, 2024 and 2023, respectively.

NOTE 16—LEASES:

We have operating and finance leases for certain office space and finance leases for certain equipment. These leases have remaining lease terms of up to 11 years.

The Company, as sublessor, subleases certain office and retail space in which the terms of any significant subleases end by 2027. Under all of our executed sublease arrangements, the sublessees are obligated to pay the Company sublease payments of \$2.8 million in 2025, \$2.9 million in 2026, \$2.7 million in 2027, \$69 thousand in 2028 and \$29 thousand in 2029.

In 2024 we incurred \$2.0 million in impairment charges due primarily to an updated estimate of the cost impact of a leased space for which the sublease was not extended and expired in 2024.

The components of lease expense were as follows:

(in thousands)	Years Ended December 31,	
	2024	2023
Operating lease cost	\$ 7,321	\$ 8,103
Finance lease cost:		
Amortization of right-of-use assets	181	425
Interest on lease liabilities	6	8
Variable lease costs and nonlease components	1,633	1,470
Sublease income	(649)	(1,376)
Total	\$ 8,492	\$ 8,630

Supplemental cash flow information related to leases were as follows:

(in thousands)	Years Ended December 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 10,421	\$ 11,248
Operating cash flows from finance leases	6	8
Financing cash flows from finance leases	168	456
Right-of-use assets obtained		
Operating leases	\$ 5,622	\$ 2,690
Finance leases	—	385

Supplemental information related to leases was as follows:

(in thousands, except lease term and discount rate)	At December 31,	
	2024	2023
Operating lease right-of-use assets, included in other assets	\$ 25,235	\$ 27,594
Operating lease liabilities, included in accounts payable and other liabilities	30,993	35,043
Finance lease right-of-use assets, included in other assets	\$ 48	\$ 318
Finance lease liabilities, included in accounts payable and other liabilities	37	288
Weighted Average Remaining lease term in years		
Operating leases	4.31	4.49
Finance leases	0.58	1.58
Weighted Average Discount Rate		
Operating leases	1.82%	1.88%
Finance leases	3.50%	3.50%

Maturities of lease liabilities and obligations under leases classified as nonlease components were as follows:

(in thousands)	Lease Liabilities		Nonlease Components
	Operating Leases	Finance Leases	
Year ended December 31,			
2025	\$ 10,079	\$ 37	\$ 3,723
2026	8,721	—	3,785
2027	7,683	—	3,841
2028	2,750	—	125
2029	1,678	—	—
2030 and thereafter	2,874	—	—
Total lease payments	33,785	37	\$ 11,474
Less imputed interest	2,792	—	
Total	\$ 30,993	\$ 37	

NOTE 17—SHARE-BASED COMPENSATION PLANS:

In May 2014, the shareholders approved the Company's 2014 Equity Incentive Plan (the "2014 EIP Plan") that provided for the grant of stock options, shares of restricted stock, RSUs, PSUs, stock bonus awards, stock appreciation rights, performance share awards and performance compensation awards and unrestricted stock (collectively, "Equity Incentive Awards") to the Company's executive officers, other key employees and directors. This plan was amended in May 2017 and allowed the grant of up to 1,875,000 shares of the Company's common stock. For 2024 and 2023, the Company recognized stock-based compensation cost of \$3.3 million and \$3.1 million, respectively. In March 2024, this plan expired, therefore we are no longer granting shares from this plan, or any other plan.

RSUs generally vest over a three year period with the fair market value of the awards determined at the grant date based on the Company's stock price. PSUs vest at the end of a three year period with the fair market value of the awards determined using a Monte Carlo simulation technique. A summary of the status of the combined RSUs and PSUs is as follows:

	Number	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	230,986	\$ 34.08
Granted	417,659	10.79
Cancelled or forfeited	(86,505)	24.37
Vested	(44,651)	34.93
Outstanding at December 31, 2024	<u>517,489</u>	<u>\$ 16.83</u>

The assumptions used in the Monte Carlo simulations used to determine fair market value of the PSUs granted in 2024 and 2023 are set forth in the table below:

	2024	2023
Volatility of common stock	58.1 %	42.7 %
Average volatility of peer companies	33.6 %	45.0 %
Average correlation coefficient of peer companies	0.7527 %	0.8029 %
Risk-free interest rate	4.0 %	4.2 %
Expected term in years	3 years	3 years

NOTE 18—PARENT COMPANY FINANCIAL STATEMENTS (UNAUDITED):

Condensed financial information for HomeStreet, Inc. is as follows:

Condensed Balance Sheets

(in thousands)	At December 31,	
	2024	2023
Assets:		
Cash and cash equivalents	\$ 22,855	\$ 21,541
Other assets	5,433	4,515
Investment in stock of HomeStreet Bank	598,875	737,748
Investment in stock of other subsidiaries	1,857	1,857
Total assets	\$ 629,020	\$ 765,661
Liabilities:		
Other liabilities	\$ 6,892	\$ 2,508
Long-term debt	225,131	224,766
Total liabilities	232,023	227,274
Shareholders' Equity:		
Common stock, no par value	233,185	229,889
Retained earnings	251,013	395,357
Accumulated other comprehensive income (loss)	(87,201)	(86,859)
Total shareholder's equity	396,997	538,387
Total liabilities and shareholders' equity	\$ 629,020	\$ 765,661

Condensed Income Statements

(in thousands)	Years Ended December 31,	
	2024	2023
Noninterest income		
Dividend income	\$ 10,400	\$ 39,000
Equity in undistributed income from subsidiaries	(141,939)	(55,832)
Other noninterest income	2,470	2,085
Total revenues	(129,069)	(14,747)
Expenses		
Interest expense-net	8,097	8,094
Noninterest expense	11,268	8,176
Total expenses	19,365	16,270
Income (loss) before income taxes (benefit)	(148,434)	(31,017)
Income taxes (benefit)	(4,090)	(3,509)
Net income (loss)	\$ (144,344)	\$ (27,508)

Condensed Statements of Cash Flows

(in thousands)

	Years Ended December 31,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ (144,344)	\$ (27,508)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Undistributed earnings from investment in subsidiaries	141,939	55,832
Other	3,513	(480)
Net cash provided by operating activities	1,108	27,844
Cash flows from investing activities:		
AFS securities: Principal collections net of purchases	203	210
Investments in subsidiaries	3	—
Net cash provided by investing activities	206	210
Cash flows from financing activities:		
Repurchases of common stock	—	—
Proceeds from issuance of long-term debt	—	—
Dividends paid on common stock	—	(12,317)
Net cash used in financing activities	—	(12,317)
Net increase in cash and cash equivalents	1,314	15,737
Cash and cash equivalents, beginning of year	21,541	5,804
Cash and cash equivalents, end of year	\$ 22,855	\$ 21,541

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management conducted an evaluation, under the supervision and with the participation of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) at December 31, 2024. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Based upon the evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective at December 31, 2024.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) for the Company. The Company's internal control over financial reporting is a process designed under the supervision of the Company's CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness as to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Management has made a comprehensive review, evaluation, and assessment of the Company's internal control over financial reporting at December 31, 2024. In making its assessment of internal control over financial reporting, management utilized the framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control - Integrated Framework*. Based on that assessment, management concluded that, at December 31, 2024, the Company's internal control over financial reporting was effective.

Crowe LLP, the independent registered public accounting firm that audited our consolidated financial statements at, and for, the year ended December 31, 2024, has issued an audit report on the effectiveness of the Company's internal control over financial reporting at December 31, 2024, which report is included in Item 8.

Changes in Internal Control Over Financial Reporting

As required by Rule 13a-15(d), our management, including our CEO and CFO, also conducted an evaluation of our internal control over financial reporting to determine whether any changes occurred during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. There were no changes to our internal control over financial reporting that occurred during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B OTHER INFORMATION

During the quarter ended December 31, 2024, none of our officers or directors adopted or terminated a Rule 10b5-1 arrangement or non-Rule 10b5-1 trading arrangement, as each is defined in Item 408(a) of Regulation S-K.

Deferred Compensation Agreements

In December 2024, the Company entered into deferred compensation agreements (the “Agreements”) with the executives named below in lieu of equity awards they would have been granted under the Company’s Amended and Restated 2014 Executive Incentive Plan (the “Plan”) which expired in March 2024.

The Company entered into deferred compensation agreements, effective as of January 1, 2025, with Mark Mason, Chief Executive Officer of the Company, John Michel, Chief Financial Officer of the Company, and William Endresen, Executive Vice President, Commercial Real Estate and Commercial Capital President of HomeStreet Bank. Under their respective agreements, Mr. Mason, Mr. Michel and Mr. Endresen will be entitled to receive \$855,088, \$293,638, and \$215,150, respectively, with 50% of the amount, for each executive, vesting in equal installments on each of the next three anniversaries of the effective date his agreement (the “Annual Vesting Amount”) and the remaining 50% vesting in full on the third anniversary of the effective date of his agreement (the “Cliff Vesting Amount”), subject, in each case, to the executive’s continuous service through the applicable vesting date.

If the executive’s service terminates due to death or disability, the executive will be deemed to have vested in a pro rata portion of the Annual Vesting Amount and the Cliff Vesting Amount as of the date of such termination. If the executive’s service terminates on or prior to January 1, 2028 as a result of the executive’s retirement on or after age 65, the executive will vest in a pro rata portion of the deferred compensation amount.

If a “Change in Control” (as defined in the Agreements) occurs prior to January 1, 2028, and the executive’s service is terminated without “cause” (as defined in the Agreements), in connection with the Change in Control within 12 months following such Change of Control, then the deferred compensation amount will be deemed to have vested in full on the effective date of the termination of the executive’s service. If the executive’s service terminates at the initiation of the executive for “Good Reason” (as defined in the Agreements), the deferred compensation amount for that executive will be deemed to have vested in full on the effective date of the termination of the executive’s service.

The immediately preceding three paragraphs are a summary of the material terms of the deferred compensation agreements and the summary does not purport to be complete. A copy of the form of the deferred compensation agreements is filed with this Form 10-K as Exhibit 10.31 and is incorporated herein by reference.

Employment Agreement Extensions

The information below is reported in lieu of information that would be reported under Item 5.02 of Form 8-K.

On March 5, 2025, the Board of Directors of the Company approved an extension of the term of the existing employment agreements with Mr. Mason, Mr. Michel and Mr. Endresen to December 31, 2027 with one-year automatic extensions unless the Company or the executive officer provides written notice of its intent not to renew the employment agreement at least 180 days prior to the end of its term. The existing employment agreements with Mr. Mason and Mr. Endresen expire on December 31, 2025, and the existing employment agreement with Mr. Michel expires on August 3, 2025. The other terms and conditions of each employment agreement remain unchanged.

The amendments to the above employment agreements are filed as Exhibits 10.27, 10.28 and 10.29 to this Form 10-K.

ITEM 9C DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our principal executive officer and principal financial officer. The Code of Business Conduct and Ethics is posted on our website at <http://ir.homestreet.com>.

We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Business Conduct and Ethics by posting such information on our corporate website, at the address and location specified above and, to the extent required by the listing standards of the Nasdaq Global Select Market, by filing a Current Report on Form 8-K with the SEC, disclosing such information.

We have adopted an insider trading policy that governs the purchase, sale, and/or other transactions of our securities by our directors, officers and employees. A copy of our insider trading policy is filed as Exhibit 19 to this Form 10-K. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws and the applicable exchange listing requirements.

Except as disclosed above, the information required by this item will be set forth in our definitive proxy statement for the 2025 meeting of shareholders (the "2025 Proxy Statement") under the captions "Election of Directors" and "HomeStreet Corporate Governance and Other Matters," which information is incorporated herein by reference.

ITEM 11 EXECUTIVE COMPENSATION

The information required by this item will be set forth in the 2025 Proxy Statement under the captions "Executive Compensation," "2024 Executive Compensation Program," "Other Practices, Policies and Guidelines," "2024 Summary Compensation Table," and "Potential Payments Upon Termination or Change in Control," which information is incorporated herein by reference.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans as of December 31, 2024 under the HomeStreet, Inc. 2014 Equity Incentive Plan (the "2014 Plan").

<u>Plan Category</u>	<u>(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>(b) Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights</u>	<u>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</u>
Plans approved by shareholders	652,927 ⁽¹⁾	\$ — ⁽²⁾	— ⁽³⁾
Plans not approved by shareholders	—	—	—
Total	652,927	\$ —	—

- (1) Consists of 246,615 shares subject to Restricted Stock Units, awarded under the 2014 Plan and 406,312 shares issuable under Performance Share Units awarded under the 2014 Plan, assuming maximum performance goals are met under such awards, resulting in the issuance of the maximum number of shares allowed under those awards.
- (2) Shares issued on vesting of Restricted Stock Units and Performance Share Units under the 2014 Plan are done without payment by the participant of any additional consideration and therefore have been excluded from this calculation.
- (3) The plan has expired. As such there are no shares remaining available for issuance under the 2014 Plan.

Except as disclosed above, the information required by this item will be set forth in the 2025 Proxy Statement under the caption "Principal Shareholders of HomeStreet Inc." which information is incorporated herein by reference.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item will be set forth in the 2025 Proxy Statement under the caption "HomeStreet Corporate Governance and Other Matters" which information is incorporated herein by reference.

ITEM 14 PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be set forth in the 2025 Proxy Statement under the caption "Advisory (Non-Binding) Vote on Ratification of Appointment of Independent Registered Public Accounting Firm," which information is incorporated herein by reference.

Information about aggregate fees billed to us by our principal accountant, Crowe (PCAOB ID No.173) will be presented under the caption "Audit Committee Matters — Principal Accounting Firm Fees" in our 2025 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Financial Statement Schedules

(i) Financial Statements

The following consolidated financial statements of the registrant and its subsidiaries are included in Part II Item 8:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2024 and 2023

Consolidated Income Statements for the two years ended December 31, 2024

Consolidated Statements of Comprehensive Income (Loss) for the two years ended December 31, 2024

Consolidated Statements of Shareholders' Equity for the two years ended December 31, 2024

Consolidated Statements of Cash Flows for the two years ended December 31, 2024

Notes to Consolidated Financial Statements

(ii) Financial Statement Schedules

II—Valuation and Qualifying Accounts

All financial statement schedules for the Company have been included in the consolidated financial statements or the related footnotes, or are either inapplicable or not required.

(iii) Exhibits

EXHIBIT INDEX

Exhibit Number	Description
3.1 ⁽¹⁾	Amended and Restated Bylaws of HomeStreet, Inc.
3.2 ⁽¹⁾	Restated Articles of Incorporation of HomeStreet, Inc.
4.1 ⁽²⁾	Form of Common Stock Certificate
4.2 ^{(3) ††}	Indenture dated as of May 20, 2016 between HomeStreet, Inc. and Wells Fargo Bank, National Association, as Trustee
4.3 ⁽⁴⁾	Description of Securities
10.1 ^{(6) *}	Amended and Restated HomeStreet, Inc. 2014 Equity Incentive Plan
10.2 ^{(6) *}	Standard Form of Restricted Stock Unit Agreement under the 2014 Plan
10.3 ^{(4) *}	Amended and Restated Standard Form of Performance Share Unit Agreement under the 2014 Plan
10.4 ^{(8) *}	Executive Employment Agreement between HomeStreet, Inc., HomeStreet Bank, and Mark Mason, dated January 25, 2018
10.5 ^{(16) *}	Executive Employment Agreement between HomeStreet, Inc., HomeStreet Bank, and William Endresen, dated February 26, 2021
10.6 ⁽⁵⁾	Form of Officer Indemnification Agreement for HomeStreet, Inc.
10.7 ⁽⁵⁾	Form of Director Indemnification Agreement for HomeStreet, Inc.
10.8 ⁽⁵⁾	Form of 2011 Director and Officer Indemnification for HomeStreet, Inc.

- 10.9^{(4)†} [Office Lease, dated March 5, 1992, between Continental, Inc. and One Union Square Venture \("Office Lease"\), as amended by Supplemental Lease Agreement dated August 25, 1992, Second Amendment to Lease dated May 6, 1998, Third Amendment to Lease dated June 17, 1998, Fourth Amendment to Lease dated February 15, 2000, Fifth Amendment to Lease dated July 30, 2001, Sixth Amendment to Lease dated March 5, 2002, Seventh Amendment to Lease dated May 19, 2004, Eighth Amendment to Lease dated August 31, 2004, Ninth Amendment to Lease dated April 19, 2006, Tenth Amendment to Lease dated July 20, 2006, Eleventh Amendment to Lease dated December 27, 2006, Twelfth Amendment to Lease dated October 1, 2007, Thirteenth Amendment to Lease dated January 26, 2010, Fourteenth Amendment to Lease dated January 19, 2012, Fifteenth Amendment to Lease dated May 24, 2012, Sixteenth Amendment to Lease dated September 12, 2012, Seventeenth Amendment to Lease dated November 8, 2012, Eighteenth Amendment to Lease dated May 3, 2013, Nineteenth Amendment to Lease dated May 28, 2013 and Twentieth Amendment to Lease dated June 19, 2013.](#)
- 10.10⁽¹⁰⁾ [Twenty-First Amendment to Office Lease dated December 24, 2014, between HomeStreet Bank and Union Square Limited Liability Company.](#)
- 10.11⁽⁷⁾ [Advances, Pledge and Security Agreement, dated as of June 1, 2015, between HomeStreet Bank and the Federal Home Loan Bank of Des Moines](#)
- 10.12⁽⁹⁾ [Letter of Agreement, dated January 15, 2013, by HomeStreet Bank to Federal Reserve Bank of San Francisco](#)
- 10.13⁽⁵⁾ [Master Custodial Agreement for Custody of Single Family MBS Pool Mortgage Loans, dated October 2009, between HomeStreet Bank, Federal National Mortgage Association, and U.S. Bank, N.A.](#)
- 10.14^{(4)†} [Master Agreement ML 02783 between HomeStreet Bank and Fannie Mae, dated March 15, 2010, amended by Letter Agreement dated March 15, 2011](#)
- 10.15⁽⁵⁾ [Master Agreement, dated as of June 17, 2010, between HomeStreet Bank and Freddie Mac](#)
- 10.16⁽⁵⁾ [Cash Pledge Agreement, dated as of June 1, 2010, between HomeStreet Bank and Federal Home Loan Mortgage Corporation](#)
- 10.17⁽¹¹⁾ [Master Agreement between HomeStreet Bank and Government National Mortgage Association effective January 3, 2011](#)
- 10.18^{(12)*} [Executive Employment Agreement between HomeStreet, Inc., HomeStreet Bank, and John M. Michel, effective May 11, 2020](#)
- 10.19^{(13)*} [Amendment to Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and Mark K. Mason, dated July 29, 2020](#)
- 10.20^{(14)*} [HomeStreet Bank Performance-Based Annual Incentive Plan, effective January 1, 2022](#)
- 10.21^{(15)*} [Amended and Restated Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and John M. Michel, dated August 4, 2022](#)
- 10.22^{(17)*} [Second Amendment to Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and Mark K. Mason, dated December 13, 2022](#)
- 10.23^{(17)*} [First Amendment to Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and William D. Endresen, dated February 28, 2023](#)
- 10.24^{(18)*} [First Amendment to Executive Change in Control Agreement, between HomeStreet, Inc., HomeStreet Bank, and William D. Endresen, dated August 5, 2024](#)
- 10.25^{(18)*} [First Amendment to Executive Change in Control Agreement between HomeStreet, Inc., HomeStreet Bank, and John M. Michel, dated August 5, 2024](#)
- 10.26⁽¹⁹⁾ [Loan purchase and sale agreement dated December 26, 2024 between HomeStreet Bank and Bank of America, N.A.](#)
- 10.27* [Third Amendment to Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and Mark K. Mason, dated March 5, 2025](#)
- 10.28* [First Amendment to Amended and Restated Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and John M. Michel, dated March 5, 2025](#)
- 10.29* [Second Amendment to Executive Employment Agreement, between HomeStreet, Inc., HomeStreet Bank, and William D. Endresen, dated March 5, 2025](#)
- 10.30* [Mason Deferred Compensation Agreement](#)
- 10.31* [Form of Deferred Compensation Agreement 2025](#)
- 19 [HomeStreet, Inc. Insider Trading Policy.](#)

21	Subsidiaries of HomeStreet, Inc.
23.1	Consent of Independent Registered Public Accounting Firm, Crowe LLP
24.1	Powers of Attorney, contained in the signature page of this Annual Report on Form 10-K and incorporated herein by reference
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32 ⁽²⁰⁾	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Furnished herewith.
97.1 ⁽²¹⁾	Executive Compensation Clawback Policy
101	The following financial information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 formatted in Inline XBRL (eXtensible Business Reporting Language) and contained in Exhibit 101: (i) the Consolidated Balance Sheets as of December 31, 2024 and December 31, 2023; (ii) the Consolidated Income Statements for the two years ended December 31, 2024, (iii) the Consolidated Statements of Comprehensive Income for the two years ended December 31, 2024; (iv) the Consolidated Statements of Shareholders' Equity for the two years ended December 31, 2024, (v) the Consolidated Statements of Cash Flows for the two years ended December 31, 2024, and (vi) the Notes to Consolidated Financial Statements.
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL and contained in Exhibit 101.

- (1) Filed as an exhibit to HomeStreet, Inc.'s Current Report on Form 8-K (SEC File No. 001-35424) filed on July 31, 2019, and incorporated herein by reference.
 - (2) Filed as an exhibit to HomeStreet, Inc.'s Amendment No. 5 to Registration Statement on Form S-1 (SEC File No. 333-173980) filed on August 9, 2011, and incorporated herein by reference.
 - (3) Filed as an exhibit to HomeStreet, Inc.'s Current Report on Form 8-K (SEC File No. 001-35424) filed on May 20, 2016, and incorporated herein by reference.
 - (4) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 6, 2020 and incorporated herein by reference.
 - (5) Filed as an exhibit to HomeStreet, Inc.'s Amendment No. 1 to Registration Statement on Form S-1 (SEC File No. 333-173980) filed on May 19, 2011, and incorporated herein by reference.
 - (6) Amended in the fourth quarter of 2018 to make administrative revisions that were not material and did not require shareholder approval. An updated version was filed as an exhibit to HomeStreet's Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 6, 2019, and incorporated herein by reference.
 - (7) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 11, 2016, and incorporated herein by reference.
 - (8) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 6, 2018 and incorporated herein by reference.
 - (9) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 17, 2014, and incorporated herein by reference.
 - (10) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 25, 2015, and incorporated herein by reference.
 - (11) Filed as an exhibit to HomeStreet, Inc.'s Amendment No. 2 to Registration Statement on Form S-1 (SEC File No. 333-173980) filed on June 21, 2011, and incorporated herein by reference.
 - (12) Filed as an exhibit to HomeStreet Inc.'s Current Report on Form 10-Q (SEC File No. 001-35424) filed on May 8, 2020, and incorporated herein by reference.
 - (13) Filed as an exhibit to HomeStreet Inc.'s Current Report on Form 10-Q (SEC File No. 001-35424) filed on November 6, 2020, and incorporated herein by reference.
 - (14) Filed as an exhibit to HomeStreet Inc.'s Current Report on Form 10-Q (SEC File No. 001-35424) filed on May 6, 2022, and incorporated herein by reference.
 - (15) Filed as an exhibit to HomeStreet Inc.'s Current Report on Form 10-Q (SEC File No. 001-35424) filed on August 5, 2022, and incorporated herein by reference.
 - (16) Filed as an exhibit to HomeStreet's Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 12, 2021, and incorporated herein by reference.
 - (17) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 6, 2023, and incorporated herein by reference.
 - (18) Filed as an exhibit to HomeStreet Inc.'s Current Report on Form 10-Q (SEC File No. 001-35424) filed on August 6, 2024, and incorporated herein by reference.
 - (19) Filed as an exhibit to HomeStreet Inc.'s Current Report on Form 8-K (SEC File No. 001-35424) filed on December 27, 2024, and incorporated herein by reference.
 - (20) This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.
 - (21) Filed as an exhibit to HomeStreet, Inc.'s Annual Report on Form 10-K (SEC File No. 001-35424) filed on March 6, 2024, and incorporated herein by reference.
- † Certain portions of this exhibit constitute confidential information and have been redacted in accordance with Regulation S-K, Item 601(b)(10).
- †† Instruments with respect to any other long-term debt of HomeStreet, Inc. and its consolidated subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K since the total amount of securities authorized thereunder does not exceed 10 percent of the total assets of HomeStreet, Inc. and its subsidiaries on a consolidated basis. HomeStreet, Inc. hereby agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.
- * Management contract or compensation plan or arrangement.

Item 16 Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on March 7, 2025.

HomeStreet, Inc.

By: /s/ Mark K. Mason

Mark K. Mason

President and Chief Executive Officer (Principal Executive Officer)

HomeStreet, Inc.

By: /s/ John M. Michel

John M. Michel

Executive Vice President and Chief Financial Officer (Principal Financial Officer and Accounting Officer)

POWERS OF ATTORNEY

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Mark K. Mason</u> Mark K. Mason, Chairman	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 7, 2025
<u>/s/John M. Michel</u> John M. Michel	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Accounting Officer)	March 7, 2025
<u>/s/ James R. Mitchell Jr.</u> James R. Mitchell Jr.	Lead Independent Director	March 7, 2025
<u>/s/ Scott M. Boggs</u> Scott M. Boggs	Director	March 7, 2025
<u>/s/ Sandra A. Cavanaugh</u> Sandra A. Cavanaugh	Director	March 7, 2025
<u>/s/ Jeffrey D. Green</u> Jeffrey D. Green	Director	March 7, 2025
<u>/s/ Joanne Harrell</u> Joanne Harrell	Director	March 7, 2025
<u>/s/ Nancy D. Pellegrino</u> Nancy D. Pellegrino	Director	March 7, 2025
<u>/s/ S. Craig Tompkins</u> S. Craig Tompkins	Director	March 7, 2025

THIRD AMENDMENT TO EMPLOYMENT AGREEMENT

This document (the "*Third Amendment*") amends the Executive Employment Agreement dated January 25, 2018 between Mark K. Mason ("*Executive*") and HomeStreet, Inc., HomeStreet Bank and their affiliates (collectively "*HomeStreet*"), which was subsequently amended effective (a) July 29, 2020 and (b) December 13, 2022 (as amended, the "*Employment Agreement*"). Any capitalized terms used in this Third Amendment and not otherwise defined herein shall have the meaning set forth in the Employment Agreement. The parties agree as follows:

1. **Amendment to Term of Employment Agreement.** The parties further amend the Employment Agreement by striking Section I.B of the Employment Agreement in its entirety and replacing it with the following:

This Agreement commenced on the Effective Date and shall continue until December 31, 2027, unless sooner terminated as set forth in Section III. Thereafter, the Agreement shall thereafter automatically renew for successive one (1) year terms, unless either party provides the other with written notice of its intent not to renew no less than 180 days prior to the end of its term. Notwithstanding any termination of this Agreement or Executive's employment, the Executive shall remain subject to the restrictions in Section IV of this Agreement.

2. **No Other Modification.** Except as provided herein, the provisions of the Employment Agreement shall remain in full force and effect following the adoption of this Third Amendment and this Third Amendment shall not constitute a modification or waiver of any provision of the Employment Agreement except as provided herein.
3. **Effectiveness.** This Third Amendment shall be effective on the date it is signed by both Executive and HomeStreet.

[Signature Page Follows]

**HOMESTREET, INC.
HOMESTREET BANK**

/s/ Godfrey B. Evans

Godfrey B. Evans, EVP, General Counsel & Corporate Secretary

Date Signed: 3/5/2025

EXECUTIVE

/s/ Mark K. Mason

Mark K. Mason, President & CEO

Date Signed: 3/5/2025

FIRST AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This document (the "*First Amendment*") amends the Amended and Restated Executive Employment Agreement dated August 4, 2022 between John M. Michel ("*Executive*") and HomeStreet, Inc., HomeStreet Bank and their affiliates (collectively "*HomeStreet*"), [which was subsequently amended effective July 29, 2020 (as amended), the "*Employment Agreement*"). Any capitalized terms used in this First Amendment and not otherwise defined herein shall have the meaning set forth in the Employment Agreement. The parties agree as follows:

1. **Amendment to Term of Employment Agreement.** The parties further amend the Employment Agreement by striking Section I.B of the Employment Agreement in its entirety and replacing it with the following:

This Agreement commenced on the Effective Date and shall continue until December 31, 2027, unless sooner terminated as set forth in Section III. Thereafter, the Agreement shall thereafter automatically renew for successive one (1) year terms, unless either party provides the other with written notice of its intent not to renew no less than 180 days prior to the end of its term. Notwithstanding any termination of this Agreement or Executive's employment, the Executive shall remain subject to the restrictions in Section IV of the Employment Agreement.

2. **No Other Modification.** Except as provided herein, the provisions of the Employment Agreement shall remain in full force and effect following the adoption of this First Amendment and this First Amendment shall not constitute a modification or waiver of any provision of the Employment Agreement except as provided herein.
3. **Effectiveness.** This First Amendment shall be effective on the date it is signed by both Executive and HomeStreet.

[Signature Page Follows]

**HOMESTREET, INC.
HOMESTREET BANK**

/s/Godfrey B. Evans

Godfrey B. Evans, EVP, General Counsel & Corporate Secretary

Date Signed: 3/5/2025

EXECUTIVE

/s/John M. Michel

John M. Michel, Chief Financial Officer

Date Signed: 3/5/2025

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This document (the "*Second Amendment*") amends the Executive Employment Agreement dated February 25, 2021 between William D. Endresen ("*Executive*") and HomeStreet, Inc., HomeStreet Bank and their affiliates (collectively "*HomeStreet*"), which was subsequently amended effective February 28, 2023 (as amended, the "*Employment Agreement*"). Any capitalized terms used in this Second Amendment and not otherwise defined herein shall have the meaning set forth in the Employment Agreement. The parties agree as follows:

1. **Amendment to Term of Employment Agreement.** The parties further amend the Employment Agreement by striking Section I.B of the Employment Agreement in its entirety and replacing it with the following:

This Agreement commenced on the Effective Date and shall continue until December 31, 2027, unless sooner terminated as set forth in Section III. Thereafter, the Agreement shall thereafter automatically renew for successive one (1) year terms, unless either party provides the other with written notice of its intent not to renew no less than 180 days prior to the end of its term. Notwithstanding any termination of this Agreement or Executive's employment, the Executive shall remain subject to the restrictions in Section IV of this Agreement.

2. **No Other Modification.** Except as provided herein, the provisions of the Employment Agreement shall remain in full force and effect following the adoption of this Second Amendment and this Second Amendment shall not constitute a modification or waiver of any provision of the Employment Agreement except as provided herein.
3. **Effectiveness.** This Second Amendment shall be effective on the date it is signed by both Executive and HomeStreet.

[Signature Page Follows]

**HOMESTREET, INC.
HOMESTREET BANK**

/s/Godfrey B. Evans

Godfrey B. Evans, EVP, General Counsel & Corporate Secretary

Date Signed: 3/5/2025

EXECUTIVE

/s/Bill Endresen

Bill Endresen, EVP Commercial Real Estate President

Date Signed: 3/5/2025

DEFERRED COMPENSATION AGREEMENT

This Deferred Compensation Agreement ("Agreement") is entered into by and between HomeStreet, Inc. (the "Company") and Mark Mason ("Executive"), effective as of January 1, 2024 (the "Effective Date").

RECITALS

- A. The Company, HomeStreet Bank (the "Bank"), and their affiliates (collectively, "HomeStreet") and Executive are parties to that certain Executive Employment Agreement, dated January 25, 2018 (as amended, the "Employment Agreement"), pursuant to which Executive is employed as the President and Chief Executive Officer of the Company and the Bank.
- B. As an executive employee of HomeStreet, Executive is eligible for equity incentive awards pursuant to the Company's 2014 Equity Incentive Plan (the "Equity Plan").
- C. The Compensation Committee of the Company's board of directors (the "Board" and such committee, the "Committee"), which is also the administrator of the Equity Plan, has determined that Executive's Awards (as defined in the Equity Plan) under the Equity Plan for the performance period commencing January 1, 2024 and ending on December 31, 2026 (the "Performance Period"), exceed the limits under the Equity Plan on annual awards to a single individual participant for Performance Share Units.
- D. The 2024 Equity Plan Awards are separately documented in a Restricted Stock Unit Agreement between the Company and Executive (the "RSU Agreement") and a Performance Share Unit Agreement between the Company and Executive (the "PSU Agreement"), with each of the RSU Agreement and PSU Agreement effective as of January 1, 2024.
- E. To make up for the shortfall with respect to Equity Plan awards as a result of the annual limits under the Equity Plan, the Company desires to pay deferred compensation to Executive, subject to the terms of this Agreement.

AGREEMENT

The Company and Executive agree as follows:

1. Payment Amount.

1.1 PSU Deferred Compensation Amount. Subject to the terms of this Agreement, the Company agrees to pay Executive an aggregate amount of deferred compensation of \$119,093 that is related to 2024 Equity Plan Awards subject to the PSU Agreement, as described on the attached Exhibit 1 (the "PSU Deferred Compensation Amount").

2. **Vesting.**

2.1 **PSU Deferred Compensation Amount.** Except as otherwise provided in this Section 2.1, the PSU Deferred Compensation Amount will become vested and payable following the end of the Performance Period, on the date that Committee certifies the achievement of the Performance Goal(s) (as defined in the PSU Agreement) in accordance with Sections 3.2 and 4 of the PSU Agreement, and subject to Executive's Continuous Service through such date. However, notwithstanding the foregoing:

(a) If Executive's Continuous Service terminates during the Performance Period as a result of Executive's death or Disability, Executive will be deemed to have vested in a pro rata portion of the PSU Deferred Compensation Amount, to the extent the PSUs (as defined in the PSU Agreement) would have been earned under Section 5.2 of the PSU Agreement, as of the date of such termination. For purposes of this Section 2.1(a), the pro rata portion of the PSU Deferred Compensation Amount will be calculated as follows: (i) the PSU Deferred Compensation Amount vested at the Target level set forth on the attached Exhibit 1, *multiplied by* (ii) a fraction, the numerator of which equals the number of full months that Executive was employed during the Performance Period and the denominator of which equals 36.

(b) If Executive's Continuous Service terminates during the Performance Period as a result of Executive's retirement on or after age 65, the Grantee will vest at the end of the Performance Period in a pro rata portion of the PSU Deferred Compensation Amount, to the extent the PSUs would have been earned in accordance with Section 5.3 of the PSU Agreement. For purposes of this Section 2.1(b), the pro rata portion of the PSU Deferred Compensation Amount will be calculated as follows: (i) the PSU Deferred Compensation Amount vested at the Target level set forth on the attached Exhibit I, *multiplied by* (ii) a fraction, the numerator of which equals the number of full months that the Grantee was employed during the Performance Period and the denominator of which equals 36.

(c) If a Change in Control occurs during the Performance Period then the PSU Deferred Compensation Amount will be deemed to have vested at the Target level set forth on the attached Exhibit I on the effective date of such Change in Control.

(d) If Executive terminates for Good reason (as defined in the Employment Agreement, during the Performance Period then the PSU Deferred Compensation Amount will be deemed to have vested at the Target level set forth on the attached Exhibit 1 on the effective date of such Good Reason termination.

3. **Payment Timing.**

3.1 **PSU Deferred Compensation Amount.** The Company will pay the PSU Deferred Compensation Amount, to the extent earned and vested, to Executive as soon as practicable following the end of the Performance Period after the Committee certifies the achievement of the Performance Goal(s) in accordance with the PSU Agreement, but in any event no later than the last day of the calendar year following the end of the Performance Period; provided, however, that:

(a) If a pro rata portion of the PSU Deferred Compensation Amount is deemed to be earned and vested under Section 2.1(a), the Company will pay such pro rata portion of the PSU Deferred Compensation Amount to Executive no later than the last day of the calendar year in which the termination of Grantee's Continuous Service as a result of death or Disability occurs or, to the extent permitted by Section 409A, the 15th day of the third month following the termination of the Grantee's Continuous Service as a result of Executive's Disability or, in the event of a termination of Executive's Continuous Service upon Executive's death, until December 31 of the calendar year following the calendar year in which such vesting upon Executive's death occurs.

(b) If the PSU Deferred Compensation Amount is deemed to be earned and vested under Sections 2.1 (b), the Company will pay the such pro rata portion of the PSU Deferred Compensation Amount, to the extent thus earned and vested, no later than sixty (60) days following the date of the Executive's Retirement.

(c) If the PSU Deferred Compensation Amount is deemed to be earned and vested under Sections 2.1(c), the Company will pay the PSU Deferred Compensation Amount, no later than sixty (60) days following the date of the Change in Control.

(d) If the PSU Deferred Compensation Amount is deemed to be earned and vested under Sections 2.1 (d), the Company will pay the PSU Deferred Compensation Amount, no later than sixty (60) days following the date of the Good Reason termination.

4. Other Payment Conditions.

4.1 Payments after Termination. The payment of any payment to Executive under this Agreement after the termination of Executive's Continuous Service will be subject to Executive's execution (and non-revocation) of a standard release of claims in favor of HomeStreet, if so requested by the Committee, and also to Executive's continued compliance with any post-employment obligations under any agreement with HomeStreet through the applicable payment date.

4.2 Termination for Cause; Restrictive Covenants. By signing below, Executive agrees that if Executive materially breaches any non-competition, nonsolicitation, or confidentiality agreement with HomeStreet to which Executive is subject or if Executive is terminated for Cause, then (a) this Agreement will immediately terminate, and Executive will automatically forfeit all rights to any payments under this Agreement, as of the date of such material breach or termination for Cause, as applicable; and (b) Executive consents and agrees that the Company will be entitled to seek, in addition to any other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy (and the aforementioned equitable relief will be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief).

4.3 Acceptance by Executive. Executive agrees that, upon acceptance of any payments under this Agreement, Executive will be deemed to have accepted all aspects of the calculation of that payment amount and any other related matter, and to have agreed not to bring any claims in connection with, or in any manner related to, that payment amount.

5. **Funding.** All benefits payable under this Agreement constitute an unfunded obligation of the Company. The Company will retain title to and beneficial ownership of all assets, whether cash or investments, which it may in its sole discretion set aside or earmark to pay benefits under this Agreement, including any assets placed in a rabbi trust. Neither Executive nor his beneficiaries will have any property interest in the Company's specific assets.

6. **Taxes.** The Company will have the right to retain and withhold from any payment under this Agreement the amount of any income and employment taxes required to be withheld under applicable law. Payments to Executive under this Agreement will be taxed as ordinary income and deductible as a compensation expense by the Company, to the extent permitted by applicable law.

7. **Prohibition on Transfer.** Neither Executive nor any other person will have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable under this Agreement will, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by Executive or any other person, nor be transferable by operation of law in the event of Executive's or any other person's bankruptcy or insolvency.

8. **Right to Amend or Terminate.** Except for such amendments to this Agreement pursuant to Section 9.1 as are necessary to comply with Section 409A, which the Company may make in its sole discretion without written consent from Executive, the Company and Executive may amend this Agreement only in a writing signed by both parties. If not earlier terminated, this Agreement will automatically terminate following the date on which all amounts payable under this Agreement have been paid by the Company to Executive or, if earlier, the date on which Executive no longer has any rights to payment under this Agreement.

9. **Miscellaneous.**

9.1 Section 409A. The Company intends for the benefits provided under this Agreement to comply with Section 409A (including any available exemptions from Section 409A), and the Agreement will be interpreted to that end. The Company reserves the right to amend this Agreement as necessary to comply with Section 409A, without Executive's consent. Any reference in this Agreement to a "termination of Continuous Service," "termination of employment," or similar phrases will be construed to require a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). Notwithstanding any other provision of this Agreement to the contrary, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's separation from service, then to the extent necessary to avoid subjecting Executive to the imposition of any additional tax under Section

409A, amounts that would otherwise be payable under this Agreement upon Executive's separation from service during the six (6)-month period immediately following Executive's separation from service for reasons other than Executive's death will not be paid to Executive during such six (6)-month period, but will instead be accumulated and paid to Executive in a lump sum on the Company's first regular payroll date after the expiration of such six (6)-month period (or, if earlier, following Executive's death). For purposes of Section 409A, each payment made under this Agreement will be treated as a separate payment, and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. However, none of HomeStreet and their respective directors, managers, employees, officers, directors, representatives or agents make any representation and warranty to Executive with respect to whether this Agreement complies with, or is exempt from, Section 409A and will have no liability for any accelerated taxation, additional taxes, penalties or interest for which Executive may become liable in connection with any failure or alleged failure to comply with, or meet an exemption from Section 409A.

9.2 Section 280G. In the event any payments provided by the Company to Executive under this Agreement (the "Covered Payments") (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this Section 9.2, would be subject to the excise tax imposed by Section 4999 of the Code, or any similar or successor provision under applicable law, then the Covered Payments will be payable either (i) in full, or (ii) an amount reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state, and local taxes (and including the excise tax imposed under Section 4999 of the Code, results in the receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Any determinations under this Section 9.2 will be made by the Company consistent with the requirements of Section 409A.

9.3 No Employment Contract. Except for the Employment Agreement, nothing in this Agreement will be construed to give Executive any contractual or other right to be employed by HomeStreet, and this Agreement will in no way constitute any form of agreement or understanding binding on HomeStreet, express or implied, that HomeStreet will employ Executive for any length of time.

9.4 Right of Offset. Notwithstanding any other provision of the Agreement to the contrary, the Company may at the time any amounts are payable under this Agreement (and subject to any Section 409A considerations) reduce the amount of any such payment otherwise payable to or on behalf of Executive by the amount of any obligation of Executive to or on behalf of the Company that is or becomes due and payable, and, by entering into this Agreement, Executive will be deemed to have consented to such reduction.

9.5 Intent. This Agreement is strictly a compensation arrangement and is not intended to create equity ownership, liquidation preference, or an additional class of equity interests in HomeStreet. Executive's rights under this Agreement do not represent an actual ownership interest in HomeStreet and will not entitle Executive to either voting or distribution rights associated with any equity interests of HomeStreet.

9.6 Governing Law. This Agreement will be construed and interpreted according to the laws of the State of Washington, without regard to its conflicts of laws principles.

9.7 Disputes. Any disputes relating to this Agreement will be subject to the same provisions regarding resolutions of disputes as in the Employment Agreement, and by signing this Agreement, Executive will be deemed to have consented to such dispute resolution provisions.

9.8 Validity. In case any provision of this Agreement is deemed illegal or invalid for any reason, the illegal or invalid portion will not affect the remaining parts of this Agreement, and this Agreement will be construed and enforced as if the illegal or invalid provision had never been inserted.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date set fourth above.

COMPANY:

HomeStreet, Inc.

By: /s/ John Michel

John M. Michel

CFO

EXECUTIVE:

By: /s/ Mark K. Mason

Mark K Mason

EXHIBIT 1

Performance Period

The Performance Period shall commence on January 1, 2024 and end on December 31, 2026.

Performance Measures

The PSU Deferred Compensation Amount that is earned shall be determined by reference to the Company's Total Shareholder Return (TSR) performance relative to the TSR performance of the component companies of the KBW Regional Bank Index (“KRX” or the “peer group”). TSR is calculated as the change in share price from January 1, 2024 to December 31, 2026, using a 20-day trading average (December 1, 2023 through December 29, 2023 at the beginning of the Performance Period and December 3, 2026 through December 31, 2026 at the end of the Performance Period to take into consideration fluctuations in market), as adjusted for dividends paid during the Performance Period, assuming that all dividends are reinvested in shares on the date paid. The peer group will consist of all companies included in the KRX at the end of the Performance Period (excluding the Company itself, if it happens to be a component company on that date).

Determining PSU Deferred Compensation Amount Earned

Except as otherwise provided in the Agreement, the PSU Deferred Compensation Amount earned with respect to the Performance Period shall be the percentage of payout, as determined as follows, multiplied by the PSU Deferred Compensation Amount:

	Threshold	Target	Maximum
Relative TSR Performance*	25th percentile	50th % percentile	≥75th % percentile
Payout as % of Target	50%	100%	150%

*As defined by the KRX peer group at the end of the Performance Period.

For relative TSR between Threshold and Target performance, or between Target and Maximum performance, the payout will be a linear interpolation rounded to the nearest penny. If relative TSR for the Performance Period is less than the 25th percentile, no PSU Deferred Compensation Amount will be earned (unless already awarded in connection with a termination of Executive's Continuous Service as a result of death or Disability, based on a shortened Performance Period). Additionally, if the Company's absolute TSR over the Performance Period is negative, the earned PSU Deferred Compensation Amount will not exceed Target payout amount, regardless of the relative TSR performance results.

DEFERRED COMPENSATION AGREEMENT

This Deferred Compensation Agreement (“Agreement”) is entered into by and among HomeStreet, Inc. (the “Company”), HomeStreet Bank (the “Bank,” and collectively with the Company, “HomeStreet”), and «First» «Last» “Executive”, effective as of January 1, 2025 (the “Effective Date”).

RECITALS

- A. The Company does not currently have in place a shareholder approved equity incentive plan under which it may issue Restricted Stock Units (“RSUs”) or Performance Stock Units (“PSUs”) as long-term incentive compensation to its executives consistent with past practice,
- B. HomeStreet is entering into this Agreement with Executive to provide long term incentive compensation in lieu of RSUs and PSUs for the period commencing on the Effective Date and ending on third anniversary of the Effective Date (the “Performance Period”).

AGREEMENT

HomeStreet and Executive agree as follows:

1. Payment Amount.

1.1 Deferred Compensation Amount. Subject to the terms of this Agreement, the Company agrees to pay Executive up to an aggregate of \$«Sec_11_Total» (the “Deferred Compensation Amount”).

2. Vesting. The Deferred Compensation Amount is subject to two separate vesting schedules: \$«Sec_2_Annual» of the Deferred Compensation Amount is subject to vesting in installments over three years, on each of the next three anniversaries of the Effective Date (the “Annual Vesting Amount” and each such anniversary an “Anniversary Date”), and the remaining \$«Sec_2_Cliff» is subject to vesting in full on the third anniversary of the Effective Date (“Cliff Vesting Amount”). See Schedule 1 to this Agreement for a vesting schedule of these amounts.

2.1 Deferred Compensation Amount. Except as otherwise provided in this Section 2.1, the Deferred Compensation Amount will become vested and payable as set forth on Schedule 1, subject to Executive’s Continuous Service through the applicable vesting date. However, notwithstanding the foregoing:

(a) If Executive’s Continuous Service terminates as a result of Executive’s death or Disability, Executive will be deemed to have vested in a pro rata portion of the Annual Vesting Amount and the Cliff Vesting Amount as of the date of such termination.

(b) If Executive’s Continuous Service terminates during the Performance Period as a result of Executive’s retirement on or after age 65, Executive will vest in a pro rata portion of the Deferred Compensation Amount.

(c) For purposes of Sections 2.1(a) and 2.1(b), the pro rata portion of the Annual Vesting Amount will be calculated as follows: (i) the amount scheduled to vest on the

next Anniversary Date following such termination date, as set forth in Schedule 1, multiplied by (ii) a fraction, the numerator of which equals the number of full months that Executive was employed since the latter of January 1, 2025 or the most recent Anniversary Date on or preceding the termination date and the denominator of which equals 12. The pro rata portion of the Cliff Vesting Amount will be calculated as follows: (i) the Cliff Vesting Amount, multiplied by (ii) a fraction, the numerator of which equals the number of full months that Executive was employed since January 1, 2025 and the denominator of which equals 36.

(d) If a Change in Control (as defined below) occurs prior to January 1, 2028, and the Executive's Continuous Service is terminated without Cause (as defined below), in connection with the Change in Control within 12 months following a change of control, then the Deferred Compensation Amount will be deemed to have vested in full on the effective date of the termination of Executive's Continuous Service.

(e) If Executive's Continuous Service terminates at the initiation of the Executive for Good Reason (as defined below) the Deferred Compensation Amount will be deemed to have vested in full on the effective date of the termination of Executive's Continuous Service.

2.2 Definitions. For purposes of this Agreement, the following terms are defined as follows:

(a) "Cause" means any of the following by Executive: (i) breach of any contractual obligation to the Company (including violation of any Confidentiality Agreement that Executive has executed), provided Executive has not cured such breach within fourteen (14) days of receipt of written notice of such breach from the Company; (ii) willful breach or neglect of duties he/she is required to perform, provided Executive has not cured such breach within fourteen (14) days of receipt of written notice of such breach from the Company; (iii) commission of act(s) of dishonesty, theft, embezzlement, fraud, misrepresentation or other act(s) of moral turpitude against the Company, its subsidiaries or affiliates, its shareholders or employees or which adversely impact the interest of HomeStreet; (iv) willful and continual failure to comply with any law, rule or regulation (other than traffic violations or similar minor offenses), provided that Executive has been given written notice of such failure and has not complied within fourteen (14) days after receipt of such notice (from the Company or a regulator or other authoritative source), or final cease and desist order of a regulatory agency having jurisdiction over HomeStreet; (v) failure to follow direction, which failure is not corrected within fourteen (14) days after receipt by Employee of written notice outlining the corrective action required; or (vi) other conduct, act or omission that HomeStreet concludes is materially injurious to HomeStreet's interests.

(b) "Change in Control" means any of the following to occur: (i) one person or entity acquiring or otherwise becoming the owner of fifty percent (50%) or more of the Company's outstanding shares; (ii) a dissolution or sale of fifty percent (50%) or more in value of the assets of either the Company or the Bank (or HomeStreet on a combined basis); or (iii) a change "in the ownership or effective control" or "in the ownership of a substantial portion of the assets" of the Company, within the meaning of Section 280G of the Code; provided, however, that to the extent necessary to avoid an adverse tax consequence under Section 409A, a transaction will not be deemed to be a Change in Control for purposes of this Agreement unless it is also a "change in control" for purposes of Section 409A.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) “Continuous Service” means that Executive’s service with HomeStreet, whether as an employee, consultant or director, is not interrupted or terminated, as determined in a manner that is consistent with Section 409A.

(e) “Disability” means that Executive is unable to perform their duties for 120 consecutive days or 150 days in any single year by reason of any medically determinable physical or mental impairment, as determined by the Company.

(f) “Good Reason” means any of the following: (i) a change in Executive’s duties, responsibilities or reporting relationships which represents a material adverse change from those in effect immediately prior to such change; (ii) a reduction of more than fifteen percent (15%) of Executive’s base compensation without Executive’s prior agreement; or (iii) a relocation of Executive’s primary workplace that’s more than 35 miles from their current office location; provided, however, that a termination will not be deemed to be for Good Reason unless (x) Executive gives written notice of such Good Reason condition to the Company within sixty (60) days of the initial existence of the circumstances constituting Good Reason, (y) the Company has at least thirty (30) days after receipt of such notice to cure such condition or circumstance giving rise to Good Reason, and (iii) Executive’s separation from service occurs no later than six (6) months following the initial existence of the circumstances giving rise to Good Reason.

(g) “Section 409A” means Section 409A of the Code.

3. Payment Timing.

3.1 Deferred Compensation Amount. The Company will pay the Deferred Compensation Amount less applicable withholdings or deductions, to the extent earned and vested, to Executive no later than thirty (30) days following the applicable vesting date; provided, however, that:

(a) If a pro rata portion of the Deferred Compensation Amount is deemed to be earned and vested under Section 2.1(a), the Company will pay such pro rata portion of the Deferred Compensation Amount to Executive no later than the last day of the calendar year in which the termination of Executive’s Continuous Service as a result of death or Disability occurs or, to the extent permitted by Section 409A, the 15th day of the third month following the termination of the Executive’s Continuous Service as a result of Executive’s Disability or, in the event of a termination of Executive’s Continuous Service upon Executive’s death, on or before December 31 of the calendar year following the calendar year in which such vesting upon Executive’s death occurs.

(b) If the Deferred Compensation Amount is deemed to be earned and vested under Section 2.1(b), the Company will pay such pro rata portion of the Deferred Compensation Amount, to the extent thus earned and vested, no later than sixty (60) days following the date of the Executive’s retirement.

(c) If the Deferred Compensation Amount is deemed to be earned and vested under Section 2.1(d), the Company will pay the Deferred Compensation Amount, no later than sixty (60) days following the date of the Change in Control.

(d) If the Deferred Compensation Amount is deemed to be earned and vested under Section 2.1(e), the Company will pay the Deferred Compensation Amount, no later than sixty (60) days following the date of the termination of Executive’s Continuous Service.

4. Other Payment Conditions.

4.1 Payments after Termination. The payment of any payment to Executive under this Agreement after the termination of Executive's Continuous Service will be subject to Executive's execution (and non-revocation) of a standard release of claims in favor of HomeStreet, if so requested by the Compensation Committee or other necessary Committee of the Company's Board of Directors, and also to Executive's continued compliance with any post-employment obligations under any agreement with HomeStreet through the applicable payment date.

4.2 Termination for Cause; Restrictive Covenants. By signing below, Executive agrees that if Executive materially breaches any applicable non-competition, nonsolicitation, or confidentiality agreement with HomeStreet to which Executive is subject or if Executive is terminated for Cause, then (a) this Agreement will immediately terminate, and Executive will automatically forfeit all rights to any payments under this Agreement, as of the date of such material breach or termination for Cause, as applicable; and (b) Executive consents and agrees that the Company will be entitled to seek, in addition to any other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy (and the aforementioned equitable relief will be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief).

4.3 Acceptance by Executive. Executive agrees that, upon acceptance of any payments under this Agreement, Executive will be deemed to have accepted all aspects of the calculation of that payment amount and any other related matter, and to have agreed not to bring any claims in connection with, or in any manner related to, that payment amount.

5. Funding. All benefits payable under this Agreement constitute an unfunded obligation of the Company. The Company will retain title to and beneficial ownership of all assets, whether cash or investments, which it may in its sole discretion set aside or earmark to pay benefits under this Agreement, including any assets placed in a rabbi trust. Neither Executive nor Executive's beneficiaries will have any property interest in the Company's specific assets.

6. Taxes. The Company will have the right to retain and withhold from any payment under this Agreement the amount of any income and employment taxes required to be withheld under applicable law. Payments to Executive under this Agreement will be taxed as ordinary income and deductible as a compensation expense by the Company, to the extent permitted by applicable law.

7. Prohibition on Transfer. Neither Executive nor any other person will have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable under this Agreement will, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by Executive or any other person, nor be transferable by operation of law in the event of Executive's or any other person's bankruptcy or insolvency.

8. Right to Amend or Terminate. Except for such amendments to this Agreement pursuant to Section 9.1 as are necessary to comply with Section 409A, which HomeStreet may make in its sole discretion without written consent from Executive, HomeStreet and Executive may amend this Agreement only in a writing signed by both parties. If not earlier terminated, this

Agreement will automatically terminate following the date on which all amounts payable under this Agreement have been paid by the Company to Executive or, if earlier, the date on which Executive no longer has any rights to payment under this Agreement.

9. Miscellaneous.

9.1 Section 409A. The Company intends for the benefits provided under this Agreement to comply with Section 409A (including any available exemptions from Section 409A), and the Agreement will be interpreted to that end. The Company reserves the right to amend this Agreement as necessary to comply with Section 409A, without Executive's consent. Any reference in this Agreement to a "termination of Continuous Service," "termination of employment," or similar phrases will be construed to require a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). Notwithstanding any other provision of this Agreement to the contrary, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's separation from service, then to the extent necessary to avoid subjecting Executive to the imposition of any additional tax under Section 409A, amounts that would otherwise be payable under this Agreement upon Executive's separation from service during the six (6)-month period immediately following Executive's separation from service for reasons other than Executive's death will not be paid to Executive during such six (6)-month period, but will instead be accumulated and paid without interest, to Executive in a lump sum on the Company's first regular payroll date after the expiration of such six (6)-month period (or, if earlier, following Executive's death). For purposes of Section 409A, each payment made under this Agreement will be treated as a separate payment, and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. However, none of HomeStreet and their respective directors, managers, employees, officers, directors, representatives or agents make any representation and warranty to Executive with respect to whether this Agreement complies with, or is exempt from, Section 409A and will have no liability for any accelerated taxation, additional taxes, penalties or interest for which Executive may become liable in connection with any failure or alleged failure to comply with, or meet an exemption from Section 409A.

9.2 Section 280G. In the event any payments provided by the Company to Executive under this Agreement (the "Covered Payments") (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this Section 9.2, would be subject to the excise tax imposed by Section 4999 of the Code, or any similar or successor provision under applicable law, then the Covered Payments will be payable either (i) in full, or (ii) an amount reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state, and local taxes (and including the excise tax imposed under Section 4999 of the Code, results in the receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Any determinations under this Section 9.2 will be made by the Company consistent with the requirements of Section 409A.

9.3 No Employment Contract. Nothing in this Agreement will be construed to give Executive any contractual or other right to be employed by HomeStreet, and this Agreement will in no way constitute any form of agreement or understanding binding on HomeStreet, express or implied, that HomeStreet will employ Executive for any length of time.

9.4 Right of Offset. Notwithstanding any other provision of the Agreement to the contrary, the Company may at the time any amounts are payable under this Agreement (and subject to any Section 409A considerations) reduce the amount of any such payment otherwise payable to or on behalf of Executive by the amount of any obligation of Executive to or on

behalf of the Company that is or becomes due and payable, and, by entering into this Agreement, Executive will be deemed to have consented to such reduction.

9.5 Intent. This Agreement is strictly a compensation arrangement and is not intended to create equity ownership, liquidation preference, or an additional class of equity interests in HomeStreet. Executive's rights under this Agreement do not represent an actual ownership interest in HomeStreet and will not entitle Executive to either voting or distribution rights associated with any equity interests of HomeStreet.

9.6 Governing Law. This Agreement will be construed and interpreted according to the laws of the State of Washington, without regard to its conflicts of laws principles.

9.7 Disputes. Any disputes relating to this Agreement will be subject to the same provisions regarding resolutions of disputes as in the Employment Agreement, and by signing this Agreement, Executive will be deemed to have consented to such dispute resolution provisions.

9.8 Validity. In case any provision of this Agreement is deemed illegal or invalid for any reason, the illegal or invalid portion will not affect the remaining parts of this Agreement, and this Agreement will be construed and enforced as if the illegal or invalid provision had never been inserted.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date set forth above.

COMPANY:

HomeStreet, Inc.

By: _____

Name: Aaron A. Morin

Title: SVP, Human Resources Director

BANK:

HomeStreet Bank.

By: _____

Name: Aaron A. Morin

Title: SVP, Human Resources Director

EXECUTIVE:

By: _____

Name: «First» «Last»

Title: _____

SCHEDULE 1
VESTING SCHEDULE

«First» «Last»

Date	Annual Vesting	Cliff Vesting	Total
1/1/26	[\$-]		[\$-]
1/1/27	[\$-]		[\$-]
1/1/28	[\$-]	[\$-]	[\$-]
Total	_____ [\$-]	_____ [\$-]	_____ [\$-]

**HOMESTREET, INC.
INSIDER TRADING POLICY**

**Effective February 10, 2012
Amended and Approved by the Board of Directors, February 28, 2023**

I. Introduction

Federal and state laws prohibit buying, selling or making other transfers of securities by persons who have Material information that is not generally known or available to the public. These laws also prohibit persons with such material nonpublic information from disclosing this information to others who trade. Companies and their controlling persons (for instance, directors and officers) may also be subject to liability if they fail to take reasonable steps to prevent insider trading by Company personnel.

HomeStreet, Inc. (together with its subsidiaries, the “Company”) has adopted the following policy (this “Policy”) regarding trading in securities by directors, officers, employees and consultants who have Material Nonpublic Information (as defined below).

You are responsible for seeing that you do not violate federal or state securities laws or this Policy. We designed this Policy to promote compliance with the federal securities laws and to protect the Company and you from the serious liabilities and penalties that can result from violations of these laws.

The adverse consequences for insider trading violations can be staggering and include potential criminal and civil liability and/or disciplinary action. The Securities and Exchange Commission (“SEC”) has imposed large penalties even when an individual did not profit from the trading or disclosure. The SEC, stock exchanges and the Financial Industry Regulatory Authority use sophisticated electronic surveillance techniques to uncover insider trading, and there is a very high likelihood that federal or other regulatory authorities will detect and prosecute insider trading violations involving even small dollar amounts. Therefore, it is important that you understand the breadth of activities that constitute illegal insider trading. This Policy sets out the Company’s policy in the area of insider trading and should be read carefully and complied with fully.

II. Policies and Procedures

A. Trading Policy

1. You may not buy or sell a company’s securities when you have Material Nonpublic Information about that company. This policy against “insider trading” applies to trading in Company securities, as well as to trading in the securities of other

companies, such as the Company's customers and suppliers or a firm with which the Company is negotiating a major transaction.

2. You may not convey Material Nonpublic Information about the Company or another company to others, make recommendations or express opinions to others about investments in or the prospects of the Company or those companies while in possession of this information, or otherwise make unauthorized disclosure or use of this information (collectively, "Tipping"). Tipping also violates the U.S. securities laws and can result in the same civil and criminal penalties that apply if you engage in insider trading directly, even if you do not receive any money or derive any benefit from trades made by persons to whom you passed Material Nonpublic Information. This policy against Tipping applies to information about the Company and its securities, as well as to information about other companies. **This policy does not restrict legitimate business communications on a "need to know" basis.**

3. Any written or verbal statement that would be prohibited under the law or under this Policy is equally prohibited if made on the internet or through social media platforms, regardless of whether Covered Persons use their own name or a pseudonym, including the disclosure of Material Nonpublic Information about the Company or with respect to other publicly-traded companies with which the Company has a business relationship that you learn in connection with your role as a Covered Person.

4. It is against Company policy for you to engage in short-term or speculative transactions in Company securities. As such, you may not engage in: (a) short-term trading (generally defined as selling Company securities within six months following a purchase); (b) short sales (selling Company securities you do not own); (c) transactions involving publicly traded options or other derivatives, such as trade in puts or calls in Company securities; and (d) hedging transactions. Additionally, because securities held in a margin account or pledged as collateral may be sold without your consent if you fail to meet a margin call or if you default on a loan, a margin or foreclosure sale may result in unlawful insider trading. Because of this danger, you should exercise caution when including Company securities in a margin account or pledging Company securities as collateral for a loan.

The foregoing restrictions apply to all directors, officers, employees and consultants (each, a "Covered Person" or "you"). The restrictions also apply to each Covered Person's family members who reside with them, anyone else who lives in such Covered Person's household, and any family members who do not live in the Covered Person's household but whose transactions in securities are directed, influenced or controlled by such Covered Person (such as parents or children who consult with the Covered Person before they trade in securities). In addition, this Policy applies to all corporations, partnerships, limited liability companies, trusts and other entities whose transactions in securities are directed, influenced or controlled by any Covered Person. All such family members and entities are considered Covered Persons for purposes of this Policy to the same extent as if they were directors, officers, employees or consultants, as applicable, of the Company or its subsidiaries. There is no exception for small transactions or transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure.

For purposes of this Policy, references to “trading” and “transactions” includes, among other things:

- purchases, sales, pledges, hedges, loans or other transactions in publicly traded securities;
- sales of Company securities obtained through the exercise of employee stock options or vesting of stock awards granted by the Company;
- making gifts of Company securities; and
- using Company securities to secure a loan.

Directors, officers, employees and consultants should consult with the Compliance Officer if they have any questions. For purposes of this policy, “Compliance Officer” means the Company’s General Counsel; provided that in the event there is no General Counsel or the General Counsel is unavailable, the Company’s Assistant General Counsel shall be authorized to serve as the Compliance Officer in the interim or to designate another person as the Compliance Officer.

B. What is “Material Nonpublic Information”?

For purposes of this policy, “Material Nonpublic Information” means any Material information about a company that is Non-Public.

1. Material Information

Information is “Material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, hold or sell securities. Either positive or negative information may be Material. Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company’s operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. Depending on the circumstances, common examples of information that may be material include:

- earnings, revenue, or similar financial information;
- unexpected financial results;
- unpublished financial reports or projections;

- extraordinary borrowing or liquidity problems;
- changes in control;
- changes in directors, senior management or auditors;
- information about current, proposed, or contemplated transactions, business plans, financial restructurings, mergers, investments or divestitures, acquisition targets or significant expansions or contractions of operations;
- changes in dividend policies or the declaration of a stock split or the proposed or contemplated issuance, redemption, or repurchase of securities;
- material defaults under agreements or actions by creditors, clients, or suppliers relating to a company's credit rating;
- information about major contracts;
- significant new product developments or innovations;
- the interruption of production or other aspects of a company's business as a result of an accident, fire, natural disaster, or breakdown of labor negotiations;
- cybersecurity risks and incidents, including vulnerabilities and breaches;
- public or private debt or equity offerings;
- major environmental incidents; and
- institution of, or developments in, major litigation, investigations, or regulatory actions or proceedings.

It is not possible to define all categories of Material information, and you should recognize that the public, the media and the courts may use hindsight in judging what is Material. Further, the Materiality of particular information is subject to reassessment on a regular basis. Therefore, it is important to "play it safe" and assume information is Material if you are in doubt. If you have questions regarding specific transactions, please contact the Compliance Officer.

2. Nonpublic Information

Information is “Non-Public” until the information is broadly disseminated in a manner sufficient to ensure its availability to the investing public generally, without favoring any special person or group. We consider information to be available to the public only when:

- it has been released to the public by the Company through appropriate channels (e.g., by means of a press release, a widely disseminated statement from a senior officer, or a public filing with the SEC); and
- enough time has elapsed to permit the investment market to absorb and evaluate the information. As a general rule, you should consider information to be nonpublic until at least two (2) full trading days have lapsed following its formal release to the market.

C. Unauthorized Disclosure

All directors, officers, employees and consultants must maintain the confidentiality of Company information for competitive, security and other business reasons, as well as to comply with securities laws. All information you learn about the Company or any other publicly-traded company with which the Company has a business relationship learned in connection with your role as a Covered Person is potentially nonpublic information until it is publicly disclosed. You should treat this information as confidential and proprietary to the Company. You may not disclose it to others, such as family members, other relatives, or business or social acquaintances.

Also, legal rules govern the timing and nature of our disclosure of material information to outsiders or the public. Violation of these rules could result in substantial liability for you, the Company and its management. For this reason, we permit only specifically designated representatives of the Company to discuss the Company with the news media, securities analysts and investors and only in accordance with the Company’s Disclosure Policy Guidelines, Regulatory Filings and Communications with the Investment Community (the “Reg FD Policy”). If you receive inquiries of this nature, refer them to a “Spokesperson” as defined in the Reg FD Policy.

D. When and How to Trade Company Stock

1. Overview

Directors, officers and certain other employees who are so designated from time to time by the Compliance Officer (such officers and designated employees, “Restricted Persons”) are for purposes of this Policy required to comply with the restrictions covered below. The Compliance Officer maintains a list of all Restricted Persons. At least once per fiscal year, and more frequently when there are significant changes in personnel, the Compliance Officer will reevaluate the list of Restricted Persons. You will be notified by the Compliance Officer if you are considered a Restricted Person under this Policy, and

will remain a Restricted Person until notified otherwise by the Compliance Officer. Even if you are not a director or a Restricted Employee, however, following the procedures listed below may assist you in complying with this Policy.

2. Window Periods

Restricted Persons may only trade in Company securities from the date that is two full trading days after an earnings release to the end of business on the date that is ten days prior to the end of each quarter (such period, the "Window Period").

However, even if the Window Period is open, you may not trade in Company securities if you are aware of Material Nonpublic Information about the Company. In addition, if you are subject to the Company's pre-clearance policy (described below), you must pre-clear transactions even if you initiate them when the Window Period is open.

From time to time during the Window Period, the Company may close trading due to developments (such as a significant event or transaction) that involve Material Nonpublic Information. In such cases, the Compliance Officer may notify particular individuals that they should not engage in any transactions involving the purchase or sale of Company securities, and should not disclose to others the fact that trading has been prohibited.

Even if the Window Period is closed, restricted stock units or performance share units may vest, and you may exercise Company stock options, in each case provided that no shares are to be sold upon vesting or exercise. You may not, however, effect sales of stock issued upon the exercise of stock options or vesting of stock awards such as an RSU or PSU (including sales to cover tax withholding requirements, same-day sales and cashless exercises). If the Company allows for shares to be withheld from vesting to cover tax withholding liability, however, that retention of shares will not be deemed to be a sale of stock and will not violate the prohibition on insider trading even if the window is then closed. Generally, all pending purchase and sale orders regarding Company securities that could be executed while the Window Period is open must be cancelled before it closes.

In light of these restrictions, if you expect a need to sell Company stock at a specific time in the future, you may wish to consider entering into a prearranged Rule 10b5-1(c) trading plan, as discussed below.

3. Pre-clearance

The Company requires Restricted Persons to contact the Compliance Officer in advance of effecting any purchase, sale or other trading of Company securities and to obtain prior approval of the transaction. All transaction in securities by the Compliance

Officer are required to be pre-cleared by the Company's Chief Financial Officer or Chief Executive Officer. **The pre-clearance policy applies to these people even if they are initiating a transaction while the Window Period is open.** The pre-clearance policy also applies to anyone that lives in the household (other than household employees) of a Restricted Person and any shareholder for whom a Restricted Person is deemed a "beneficial owner" such as a trust where a Restricted Person has the power (shared or otherwise) to vote or dispose of such shares or an entity controlled by a director or Restricted Employee.

If a transaction is approved under the pre-clearance policy, the transaction must be executed by the end of the second full trading day after the approval is obtained, but regardless may not be executed if you acquire Material Nonpublic Information concerning the Company during that time. If a transaction is not completed within the period described above, the transaction must be approved again before it may be executed.

If a proposed transaction is not approved under the pre-clearance policy, you should refrain from initiating any transaction in Company stock, and you should not inform anyone within or outside of the Company of the restriction. Any transaction under a Rule 10b5-1 trading plan (discussed below) will not require pre-clearance at the time of the transaction.

The Compliance Officer is under no obligation to approve a request under the pre-clearance procedures provided for under this Policy and may determine to reject any request for any reason, even if the proposed transaction would not violate the federal securities laws or a specific provision of this Policy.

Approval of any request under these pre-clearance procedures does not insulate you from liability under the securities laws. The ultimate responsibility for determining whether an individual is in compliance with the securities law rests with that individual in all cases.

E. Rule 10b5-1 Trading Plans

Rule 10b5-1(c) (as such rule and regulations may be amended from time to time by the SEC, including any SEC Staff interpretations relating thereto) ("Rule 10b5-1") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a defense from insider trading liability if trades occur pursuant to a pre-arranged written trading plan that complies with the requirements of Rule 10b5-1 (a "10b5-1 Plan"). It is possible to pre-arrange trades in Company securities by entering into a 10b5-1 Plan. A 10b5-1 Plan must either specify the number of securities to be bought or sold, along with the price and the date, or provide a written formula or algorithm, or computer program, for determining this information. Alternatively, a 10b5-1 Plan can delegate investment discretion to a third party, such as a broker, who then makes trading

decisions without further input from the person implementing the 10b5-1 Plan. Because the SEC rules on 10b5-1 Plans are complex, you should consult with your broker and be sure you fully understand the limitations and conditions of the rules before you establish a 10b5-1 Plan.

All 10b5-1 Plans and any modification of a 10b5-1 Plan, including termination of a 10b5-1 Plan other than pursuant to the existing terms of a 10b5-1 Plan, must be reviewed and pre-cleared by the Compliance Officer.

To help demonstrate that a 10b5-1 Plan fully complies with Rule 10b5-1 and this Policy, the Company has adopted the requirements for such plans set forth on Appendix A to this Policy.

F. Transactions by the Company

The Company will not transact in its own securities, except in compliance with applicable securities laws.

G. Noncompliance

Individuals who violate this Policy shall be subject to disciplinary action by the Company, which may include recovery of damages, ineligibility for future participation in the Company's equity plans or termination of employment for cause or in the case of members of the Board of Directors (the "Board"), being asked to resign from the Board or not renominated. In addition, if the Company becomes aware of a violation of this Policy, the Company may inform the appropriate governmental authorities. In determining consequences resulting from a violation of this Policy, the Compliance Officer will consider a number of factors including, but not limited to, the individual's culpability, cooperation with the investigation, the individual's past violations, if any, consistency with consequences for other violations, if any, the availability of restitution, penalties assessed by regulators, the need for deterrence and extent of the harm to the Company, including the impact on Company culture.

Appendix A

HOMESTREET, INC.

10B5-1 PLAN GUIDELINES

These 10b5-1 Plan Guidelines provide further requirements for entering into and operating a 10b5-1 Plan under the Company's Insider Trading Policy ("**Policy**"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy.

I. Good Faith

You must act in good faith with respect to your 10b5-1 Plan under this Policy for the duration of the plan. Your failure to act in good faith with respect to a 10b5-1 Plan, including with respect to modifications and terminations, will cause the plan to no longer comply with Rule 10b5-1 and the Policy and potentially cause your prior transactions in the Company's securities thereunder to violate the Policy.

II. Trades Outside of a 10b5-1 Plan

Any transaction outside of a 10b5-1 Plan may mitigate the benefits of the 10b5-1 Plan. Consequently, Covered Persons should generally not transact in the Company's securities outside of a 10b5-1 Plan while a 10b5-1 Plan is in effect.

III. Procedures for Entering into a 10b5-1 Plan

A 10b5-1 Plan must (i) not be entered into when the Window Period is closed; (ii) contain a representation certifying that, on the date of adoption of the 10b5-1 Plan, you (a) are not aware of Material Nonpublic Information about the Company or its securities and (b) adopted the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1; and (iii) be pre-cleared in writing in advance by the Compliance Officer; provided, however, that any and all transactions in the Company's securities under a 10b5-1 Plan that satisfy the conditions in clauses (i) through (iii) shall not qualify for the foregoing exception if after you have entered into the 10b5-1 Plan you fail to act in good faith with respect to it, including with respect to modifications and terminations.

IV. Restrictions on Parties Executing Transactions

A 10b5-1 Plan should state that (i) any person executing 10b5-1 Plan transactions (e.g., a broker-dealer) may not deviate from the 10b5-1 Plan instructions; and (ii) no transaction under the 10b5-1 Plan may be executed by a person who, at the

time of the scheduled transaction, is aware of Material Nonpublic Information about the Company.

V. 10b5-1 Plan Adoption or Termination (including Modification); Good Faith Considerations

Section III and Section II.E of the Policy set forth the requirements for entering into a 10b5-1 Plan, including pre-clearance requirements. The same requirements and provisions apply to any modification of a 10b5-1 Plan or the termination of a 10b5-1 Plan other than pursuant to the existing terms of a 10b5-1 Plan. For this purpose, a modification includes a modification to the amount, price or timing of the purchase or sale of the securities or a modification to a written formula/algorithm that affects the amount, price or timing of the purchase or sale of the securities. Any questions regarding proposed modifications to, or terminations other than pursuant to the existing terms of, a 10b5-1 Plan should be directed to the Compliance Officer.

While Rule 10b5-1 does not expressly forbid the early termination of a 10b5-1 Plan, the SEC has made clear that once a 10b5-1 Plan is terminated, the affirmative defense may not apply to any trades that were made pursuant to that plan if such termination calls into question whether the good faith requirement was met or whether the plan was part of a plan or scheme to evade Rule 10b-5 under the Exchange Act. The risk associated with terminating a plan increases if the Covered Person promptly engages in market transactions or adopts a new 10b5-1 Plan. Such behavior could arouse suspicion that the Covered Person is modifying trading behavior in order to benefit from Material Nonpublic Information. Accordingly, Covered Persons are encouraged to not terminate 10b5-1 Plans except in unusual circumstances. For similar reasons, Covered Persons are encouraged to avoid frequent modifications of 10b5-1 Plans. Covered Persons are required to provide prompt notice of termination of any 10b5-1 Plan to the Compliance Officer.

VI. Overlapping Plans

Under Rule 10b5-1, Covered Persons may not have more than one (1) 10b5-1 Plan in operation at any given time, subject to certain limited exceptions. Consult with the Compliance Officer to discuss whether any of these exceptions may apply to your situation, particularly if you wish to enter into a new 10b5-1 Plan under which trades will commence shortly after an existing 10b5-1 Plan would terminate in accordance with its terms.

VII. Single-Trade Plans

Covered Persons may not enter into a 10b5-1 Plan that is designed to transact the total amount of the Company's securities subject to the 10b5-1 Plan as a single transaction (a "Single-Trade Plan"), unless: (i) the Covered Person has not, during the prior twelve (12)-month period, entered into another 10b5-1 Plan of the same design;

and (ii) such other 10b5-1 Plan was eligible to receive the affirmative defense under Rule 10b5-1.

VIII. Timing of First Trade (Cooling-Off Periods)

10b5-1 Plans must be subject to a “cooling off” period pursuant to which no trading may commence after the 10b5-1 Plan is adopted until the expiration of the later of (i) ninety (90) days after the adoption of the 10b5-1 Plan, or (ii) two (2) business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted, not to exceed one hundred and twenty (120) days following adoption of the 10b5-1 Plan.

IX. Specific Trading Schedules

The Company encourages trading schedules to provide for a pattern of regular trades occurring over time to minimize any inference that the Covered Person is not acting in good faith.

If the specified number of shares is not sold on a designated date for sale pursuant to a trading schedule, the unsold shares may be added to the order(s) for the following designated date of sale on a trading schedule; provided that the number of shares added to the subsequent date of sale on the trading schedule shall be limited to no more than the number of shares originally intended to be sold on the subsequent date of sale.

For example, if an individual has 5,000 aggregated, unsold shares under a 10b5-1 Plan but the trading schedule provides for only 1,000 shares to be sold per trading interval, the aggregation feature outlined in this section shall allow for trading of up to 2,000 shares in each trading interval thereafter until such time as the 5,000 aggregated, unsold shares under the 10b5-1 Plan have been sold.

X. Plan Suspension & Termination

10b5-1 Plans should include a provision that automatically suspends trading under the plan upon notice of suspension from the Company triggered by certain events. Events contemplated by such notice include underwritten public offerings by the Company and acquisition of the Company.

10b5-1 Plans should also include a provision automatically terminating the plan at some future date. In addition, any 10b5-1 Plan must provide for automatic termination in the event of death, a personal bankruptcy filing, the filing of a divorce petition, employment termination (in which case such automatic termination will occur at the beginning of the next open trading window), the last scheduled sale of shares, the public announcement of a merger, recapitalization, acquisition, tender or exchange offer, or other business combination or reorganization resulting in the exchange or conversion of

the shares of the Company into shares of another company, or the conversion of the Company's securities into rights to receive fixed amounts of cash or into debt securities and/or preferred stock (whether in whole or in part).

XI. Public Disclosure

If you are a member of the Board or an officer who is required to file reports under Section 16 of the Exchange Act, the Company must disclose certain information in its Quarterly Reports on Form 10-Q and/or Annual Reports on Form 10-K when you adopt, amend or terminate a 10b5-1 Plan (including your name and title; the date of plan adoption, amendment or termination; the duration of the plan; and the aggregate number of securities to be traded under the plan). You must also identify transactions made pursuant to a 10b5-1 Plan when reporting changes to your beneficial ownership on Forms 4 and 5.

XII. Plan Brokers

Unless otherwise approved by the Compliance Officer, all 10b5-1 Plans must be implemented through a broker included in a list approved by the Compliance Officer. The Compliance Officer may amend this list from time to time.

An insider must not communicate any Material Nonpublic Information about the Company to the broker or attempt to influence how the broker exercises his or her discretion in any way.

Subsidiaries of HomeStreet, Inc.

Subsidiary	Jurisdiction of Incorporation or Organization
HomeStreet Bank	WA
HomeStreet Statutory Trust I	DE
HomeStreet Statutory Trust II	DE
HomeStreet Statutory Trust III	DE
HomeStreet Statutory Trust IV	DE

Subsidiaries of HomeStreet Bank

Subsidiary	Jurisdiction of Incorporation or Organization
Continental Escrow Company	WA
Union Street Holdings LLC	WA
HS Properties Inc.	WA
HomeStreet Foundation	WA
HS Evergreen Corporate Center LLC	WA

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-219706 and 333-207427 on Forms S-8 of HomeStreet Inc. and Subsidiaries of our report dated March 7, 2025 relating to our audit of the consolidated financial statements and effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K as of and for the year ended December 31, 2024.

/s/ Crowe LLP

Los Angeles, California
March 7, 2025

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark K. Mason, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of HomeStreet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 7, 2025

By: /s/ Mark K. Mason

Mark K. Mason
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John M. Michel, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of HomeStreet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 7, 2025

By: /s/ John M. Michel
John M. Michel
Executive Vice President, Chief Financial Officer (Principal
Financial Officer and Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Mark K. Mason, the Chief Executive Officer of HomeStreet, Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K for the year ended December 31, 2024 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 7, 2025

By: /s/ Mark K. Mason

Mark K. Mason

President and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, John M. Michel, the Chief Financial Officer of HomeStreet, Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K for the year ended December 31, 2024 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 7, 2025

By: /s/ John M. Michel

John M. Michel

Executive Vice President, Chief Financial Officer (Principal
Financial Officer and Accounting Officer)