

The Bank of Oswego (Private; Lake Oswego, OR) has agreed to sell certain assets and limited liabilities, including deposits, to Homestreet, Inc. (NASDAQ: HMST; Seattle, WA)

### Terms of the Transaction Were Not Disclosed

Sandler O'Neill served as financial advisor to The Bank of Oswego in connection with this transaction.

This transaction represents Sandler O'Neill's 58<sup>th</sup> bank branch transaction since January 1, 2012. During that time period, Sandler O'Neill has advised on branch transactions comprising 374 branches and \$13.6 billion in deposits, more than any other investment bank.<sup>1</sup>

### About the Transaction:

SEATTLE--(BUSINESS WIRE)--HomeStreet, Inc. ("the Company") (NASDAQ:HMST) today announced the execution of a definitive agreement for HomeStreet Bank to acquire certain assets and limited liabilities, including deposits, from The Bank of Oswego relating to its two branches in Lake Oswego, Oregon. Closing of the transaction is subject to several conditions including regulatory and The Bank of Oswego shareholder approvals. The acquisition is expected to close in the third quarter of 2016.

The branches being acquired by HomeStreet Bank are located in Lake Oswego, Oregon. As of March 31, 2016, total deposits are approximately \$52.4 million for both branches. Additionally, HomeStreet is acquiring certain other assets, including loans totaling \$42.9 million as of March 31, 2016.

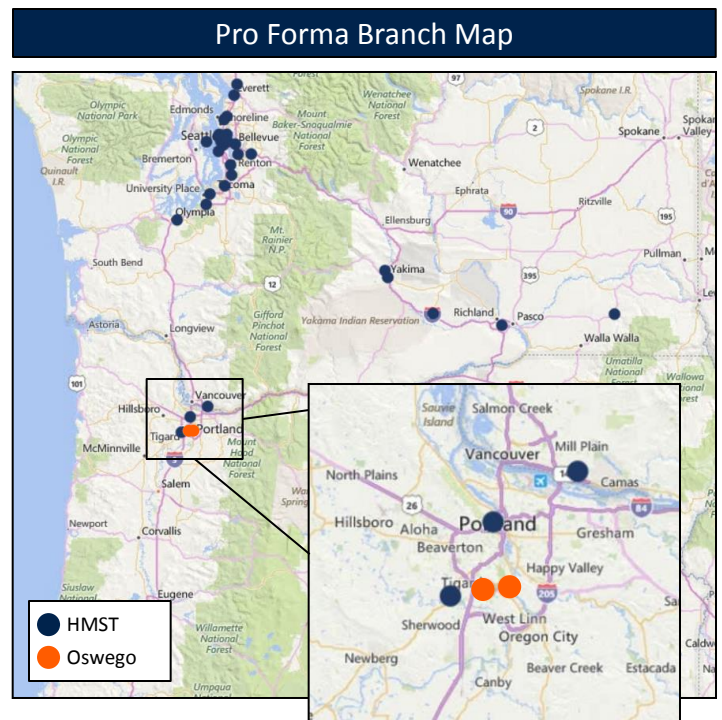
The transaction will increase the number of HomeStreet's retail branches to five in the Portland, Oregon metro area, including Vancouver, Washington.

"We're excited to be expanding our branch network to serve new and existing customers in the Portland market," said HomeStreet Bank Chairman, President and CEO Mark K. Mason. "The customer base of these branches from The Bank of Oswego is an extremely good fit within our commercial and consumer banking strategy. We look forward to welcoming new employees to our company from The Bank of Oswego and are excited by the growth opportunities from the acquisition as a result of the Portland-Vancouver area's strong employment and population growth." Mason went on to say that teams of employees from both HomeStreet and The Bank of Oswego are collaborating to ensure a seamless transition for the customers, employees, and the community.

The two Lake Oswego locations will continue to operate as The Bank of Oswego until the transaction is completed. Upon closing, the branches will become part of HomeStreet Bank. The transaction is structured as a purchase of assets and assumption of deposit liabilities. HomeStreet will not assume any liability relating to any ongoing litigation involving any former officer or director of The Bank of Oswego in this transaction.

Note(s):

1: Source: SNL Financial; excludes terminated transactions and self-advisory roles



### Sandler O'Neill Contacts:

Peter Buck  
Managing Director  
(415) 978-5051

Adam Keefer  
Managing Director  
(415) 978-5057

James Burkett  
Associate  
(415) 978-5058

Seth Hoskins  
Analyst  
(415) 978-5054

**SANDLER O'NEILL + PARTNERS, L.P.**

New York – Atlanta – Boston – Chicago – San Francisco