

HomeStreet, Inc.
Form 10-Q
November 02, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: September 30, 2018
Commission file number: 001-35424

HOMESTREET, INC.
(Exact name of registrant as specified in its charter)

Washington 91-0186600
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)
601 Union Street, Suite 2000
Seattle, Washington 98101
(Address of principal executive offices)
(Zip Code)
(206) 623-3050
(Registrant's telephone number, including area code)

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 (§ 232.405 of this chapter) 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 Accelerated Filer

Non-accelerated Filer Smaller Reporting Company

Emerging growth Company

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 12(a) of the Exchange Act.

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

The number of outstanding shares of the registrant's common stock as of October 31, 2018 was 26,991,909.6.

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Unless we state otherwise or the content otherwise requires, references in this Form 10-Q to “HomeStreet,” “we,” “our,” “us” or the “Company” refer collectively to HomeStreet, Inc., a Washington corporation, HomeStreet Bank (“Bank”), HomeStreet Capital Corporation (“HomeStreet Capital”) and other direct and indirect subsidiaries of HomeStreet, Inc.

PART I
ITEM 1
FINANCIAL
STATEMENTS

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

(in thousands, except share data)	September 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents (including interest-earning instruments of \$35,763 and \$30,268)	\$ 59,006	\$ 72,718
Investment securities (includes \$831,102 and \$846,268 carried at fair value)	903,685	904,304
Loans held for sale (includes \$350,948 and \$577,313 carried at fair value)	404,440	610,902
Loans held for investment (net of allowance for loan losses of \$40,438 and \$37,847; includes \$4,089 and \$5,477 carried at fair value)	5,026,301	4,506,466
Mortgage servicing rights (includes \$263,622 and \$258,560 carried at fair value)	291,759	284,653
Other real estate owned	751	664
Federal Home Loan Bank stock, at cost	40,732	46,639
Premises and equipment, net	95,737	104,654
Goodwill	22,564	22,564
Other assets	184,107	188,477
Total assets	\$ 7,029,082	\$ 6,742,041
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 5,155,042	\$ 4,760,952
Federal Home Loan Bank advances	816,591	979,201
Accounts payable and other liabilities	162,252	172,234
Federal funds purchased and securities sold under agreements to repurchase	55,000	—
Long-term debt	125,415	125,274
Total liabilities	6,314,300	6,037,661
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Preferred stock, no par value, authorized 10,000 shares, issued and outstanding, 0 shares and 0 shares	—	—
Common stock, no par value, authorized 160,000,000 shares, issued and outstanding, 26,989,742 shares and 26,888,288 shares	511	511
Additional paid-in capital	341,606	339,009
Retained earnings	396,782	371,982
Accumulated other comprehensive loss	(24,117) (7,122)
Total shareholders' equity	714,782	704,380
Total liabilities and shareholders' equity	\$ 7,029,082	\$ 6,742,041

See accompanying notes to interim consolidated financial statements (unaudited).

HOMESTREET, INC. AND SUBSIDIARIES
 INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months		Nine Months Ended	
	Ended September 30,		September 30,	
(in thousands, except share data)	2018	2017	2018	2017
Interest income:				
Loans	\$63,905	\$56,547	\$181,250	\$157,251
Investment securities	5,580	5,264	16,666	16,315
Other	188	170	620	431
	69,673	61,981		