D.A. Davidson & Co. Conference
Seattle, WA - May 10, 2012

HomeStreet, Inc.®

Important Disclosures

Forward-Looking Statements

We may make forward-looking statements during today's presentation that are subject to many risks and uncertainties. These forward-looking statements are based on the Company's current expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors set forth in our SEC filings, including but not limited to our 2011 annual report on form 10-K, our proxy statement and the form 8-K containing our earnings release, many of which are outside of the Company's control. Such factors could cause actual results to differ materially from the results discussed or implied in the forward-looking statements. Actual results may differ materially from those expressed or implied and there can be no assurance that estimated returns or projections will be realized or that actual returns will not be materially different than estimated herein. Accordingly you are cautioned not to place undue reliance on such forward-looking statements. All forward looking statements are based on information available to the Company as of the date hereof and the Company assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward looking statements, for any reason.

Basis of Presentation of Financial Data

Unless noted otherwise in this presentation, all reported financial data is being presented as of the period ending March 31, 2012.

Non-GAAP Financial Measures

Information on any non-GAAP financial measures referenced in today's presentation, including a reconciliation of those measures to GAAP measures, may also be found in our SEC filings and in the earnings release available on our web site.

Established Pacific Northwest Franchise

- 90-year-old diversified financial services company headquartered in Seattle
- $2.37 billion institution with 20 retail branches and 18 lending centers
- Large high-quality mortgage banking operation
- Over $2 billion in deposits
- Attractive PNW demographics
- Largest community bank headquartered in Seattle

HomeStreet retail branches (20)
HomeStreet lending centers (18)

State	# of Branches
Washington	26
Oregon	6
Hawaii	5
Idaho	1

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Diversified Lines of Business

Community Banking

- Deposit products
- Investment product
- Cash management services
- Consumer and business loans
- Insurance products

Single Family Mortgage Lending

- Originate and sell loans into secondary market directly and through WMS
- Originate and service portfolio loans
- Includes home equity loans and lines
- Oldest continuous relationship of all FM seller servicers in nation

Income Property Lending

- Focus on multifamily
- One of 25 Fannie Mae DUS® lenders; only one based in PNW
- Originate and service commercial construction, bridge and permanent loans for portfolio and sale

Residential Construction Lending

- Originate residential construction portfolio loans
- Generally short duration
- Primarily home building
- Limited land exposure

Recent Developments

- Initial Public Offering completed in February 2012
  - 4,361,816 shares issued, raising $88.7 million of net proceeds
  - $65 million of net proceeds subsequently contributed to HomeStreet Bank

- Termination of Bank regulatory order in March 2012
  - Replaced with informal agreement – 9% Tier 1 minimum

- Increased Single Family mortgage origination personnel by 50%
  - Hired 170 originators and support personnel – previously with MetLife Home Loans
  - New personnel contributed $207 million of Single Family rate lock volume in Q1
  - Opening 13 new mortgage lending centers in Washington, Oregon and Idaho

Q1 2012 Results

	Q1 2012	Q4 2011
Net Income	$19.1 million	$7.0 million
Diluted EPS	$3.55	$2.42
ROAA	3.3%	1.2%
ROAE	54.1%	33.4%
Net Interest Margin	2.53%	2.50%
Operating Efficiency[(1)]	62%	75%
Tier 1 Leverage Ratio	9.3%	6.0%
Total Risk-Based Capital	15.5%	11.2%

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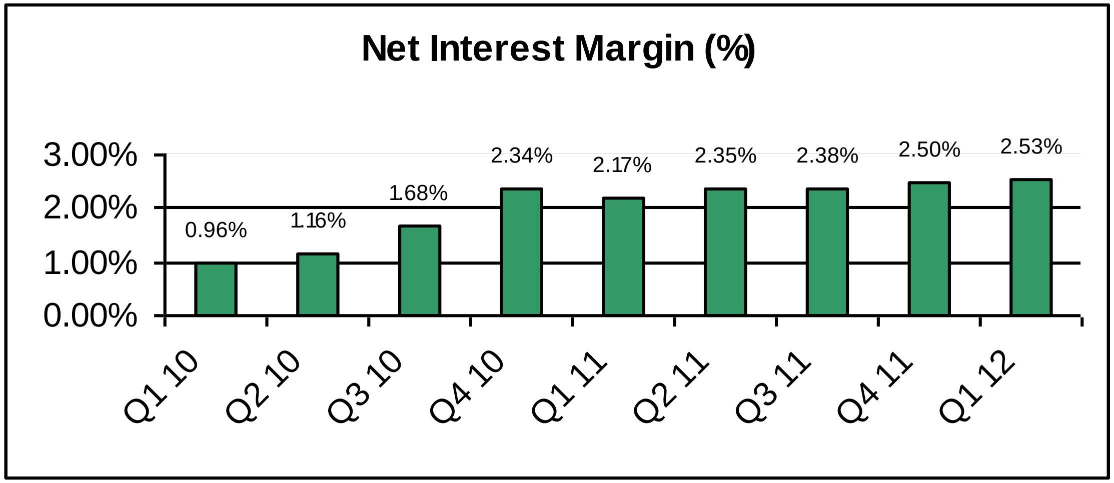
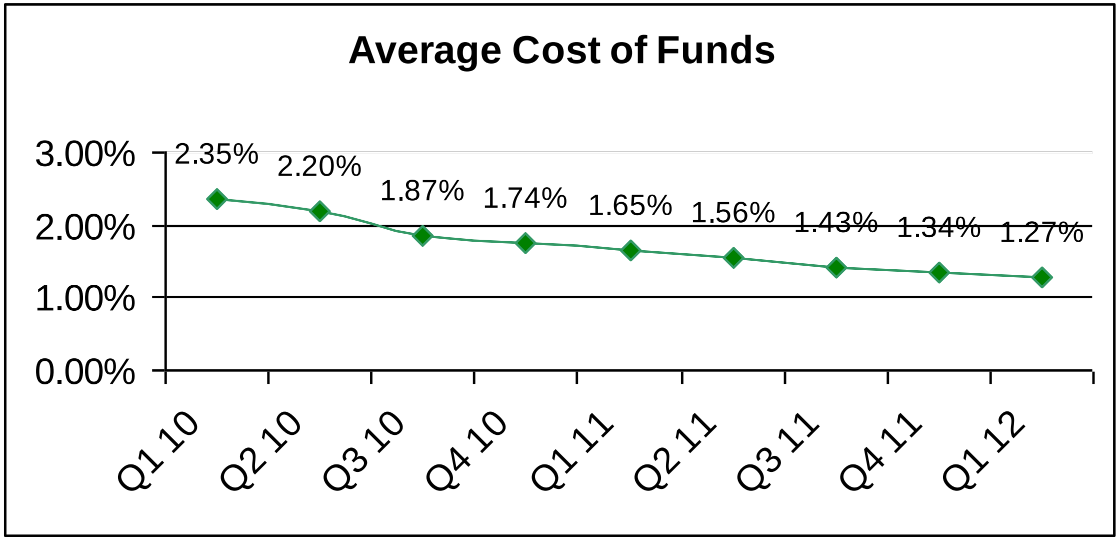
(1) See Appendix for reconciliation of non-GAAP financial measures.

Retail Deposit Funding Base





- NIM increased to 2.53% in Q1
- Cost of funding declined to 1.27% in Q1
  - Repricing, roll off or conversion of CDs
  - Reduction in borrowings and brokered deposits
  - Acquisition of new core customers

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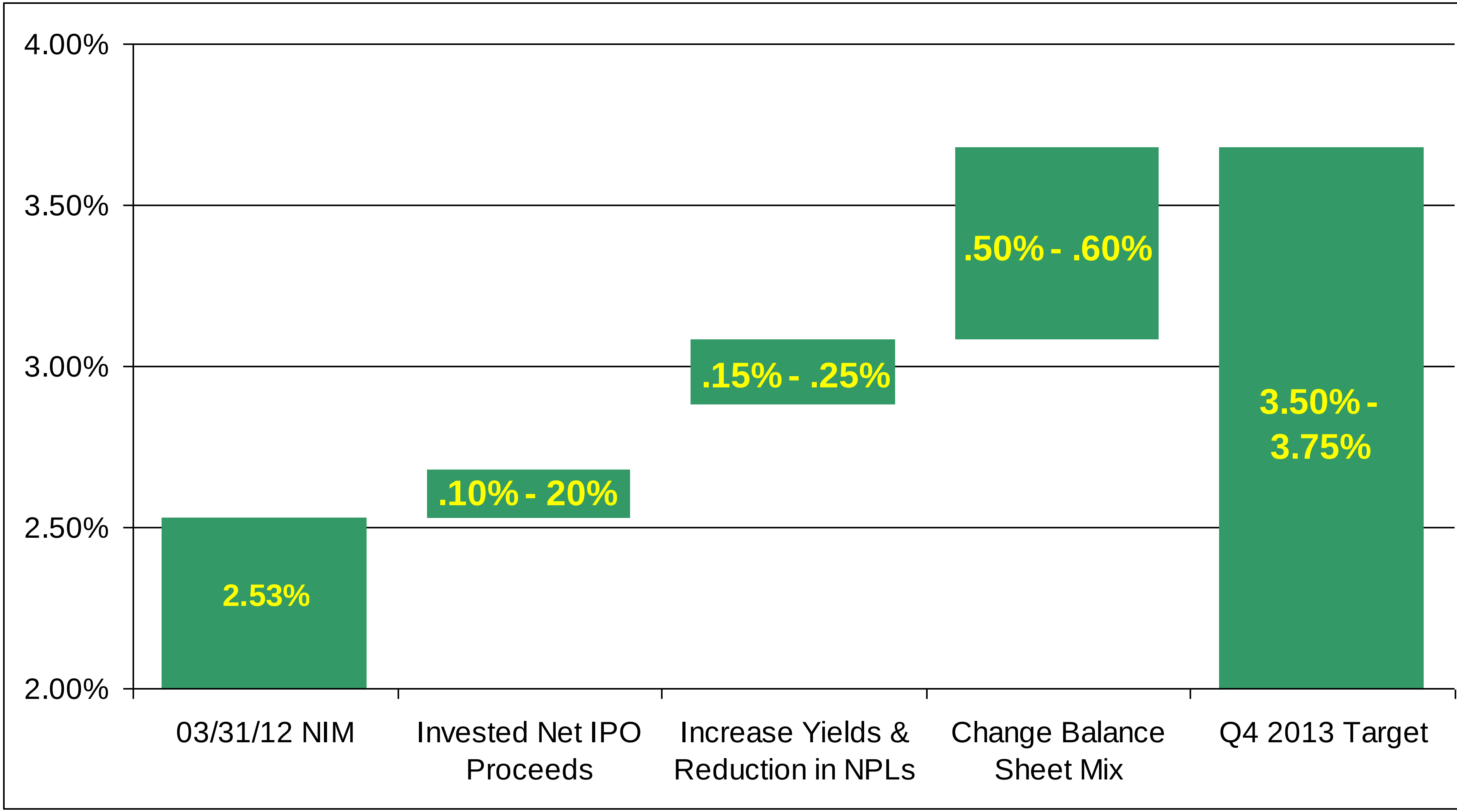
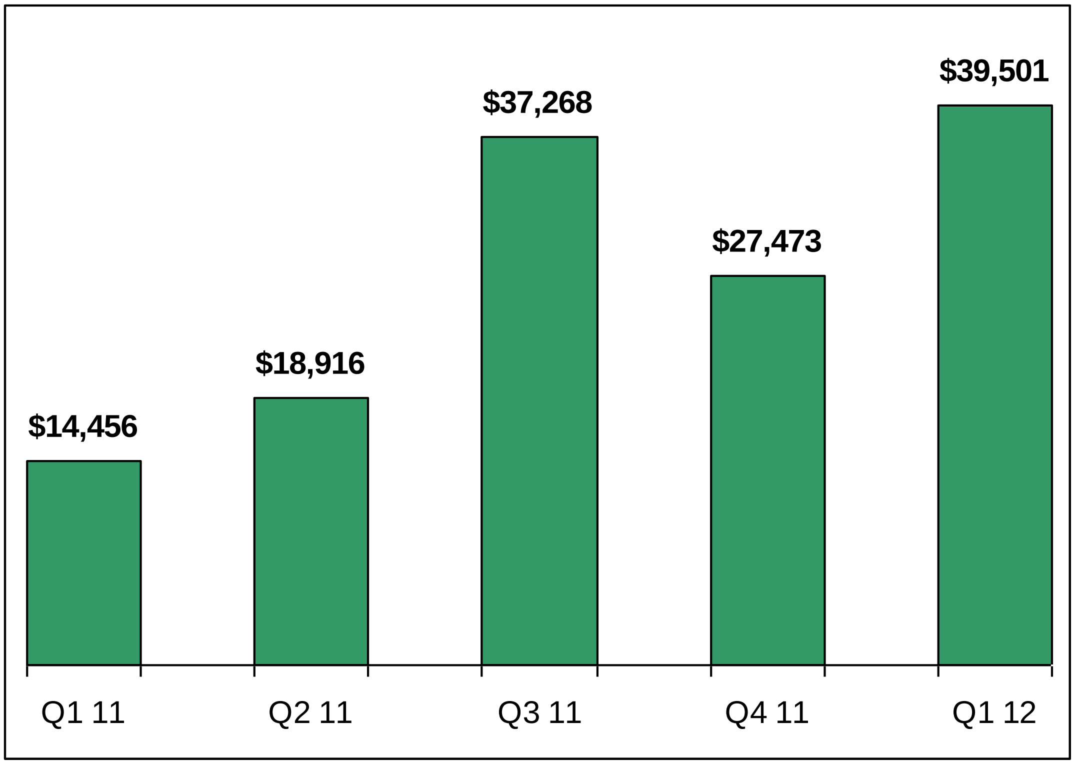
Net Interest Margin Expansion Opportunity



Noninterest Income

($ in thousands)



- Up 173% over Q1 2011 and 44% over Q4 2011
- Driven by mortgage loan origination and servicing revenue
- Q1 Noninterest Income/ Total Assets of 6.83% (annualized)

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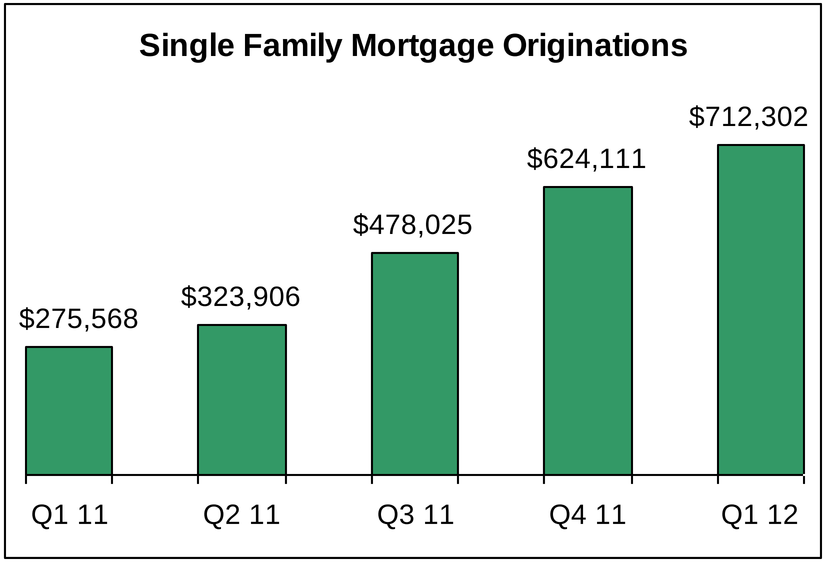
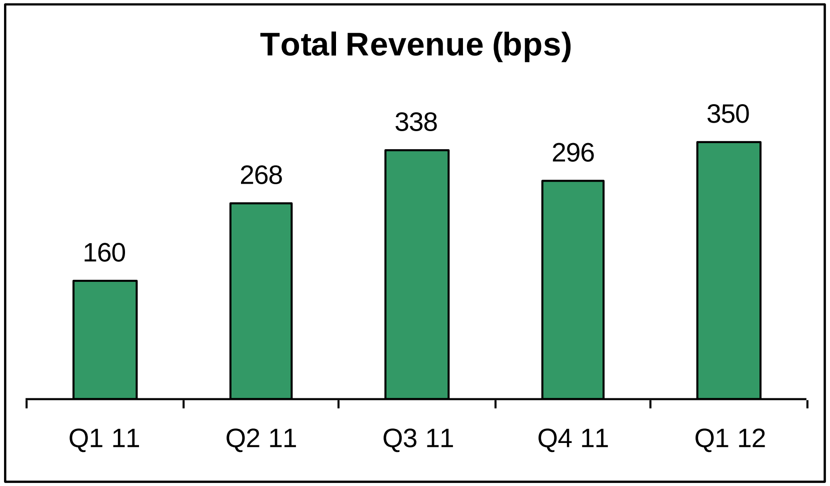
Highly Profitable Mortgage Origination Franchise

($ in thousands)





- Volume driven by low interest rates, industry consolidation, increasing capacity and HARP 2.0
- High concentration of government and purchase money mortgages
- Joint venture with Windermere Real Estate, largest real estate brokerage in PNW
- 230 retail loan originators, including WMS mortgage consultants
- All retail – direct origination
- 350 basis points on Q1 production
- Nominal repurchase claims and losses

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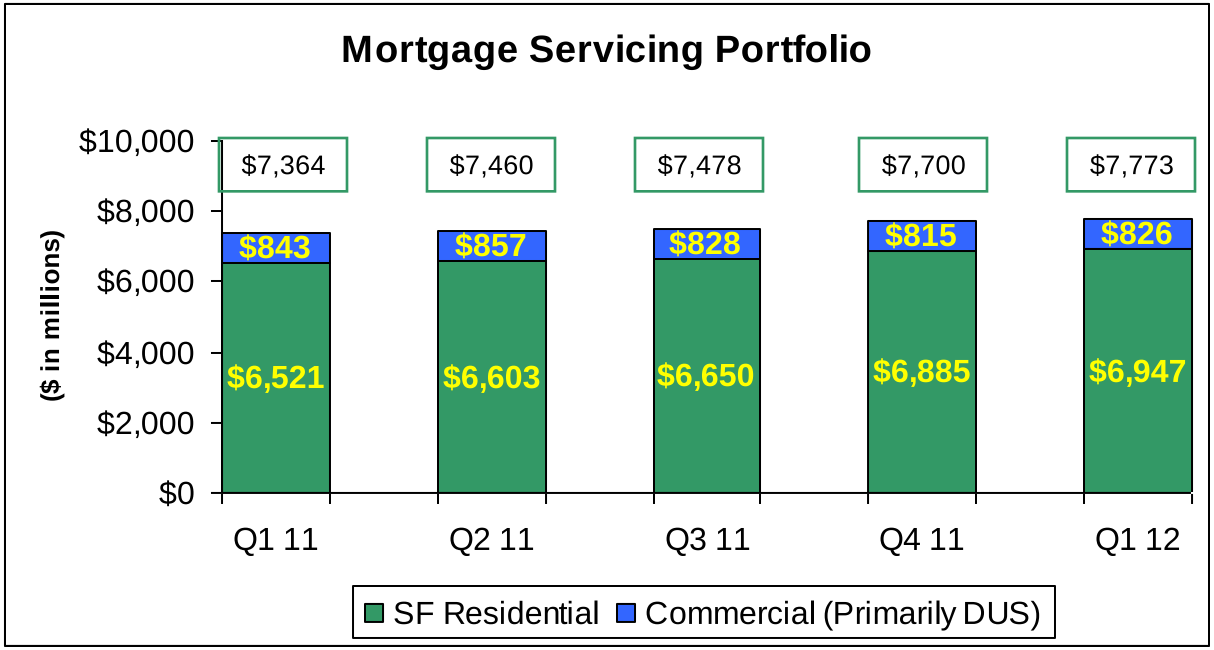
Growth in Mortgage Servicing Portfolio

- Weighted average servicing fee of 34.8 bps
- Single Family MSRs 1.14% of end UPB – 3.3x average fee
- Composition 23% government, 77% conventional
- Total delinquency of 1.96%
- Weighted average note rate of 4.83%
- 80^{+}% recapture of portfolio refinances



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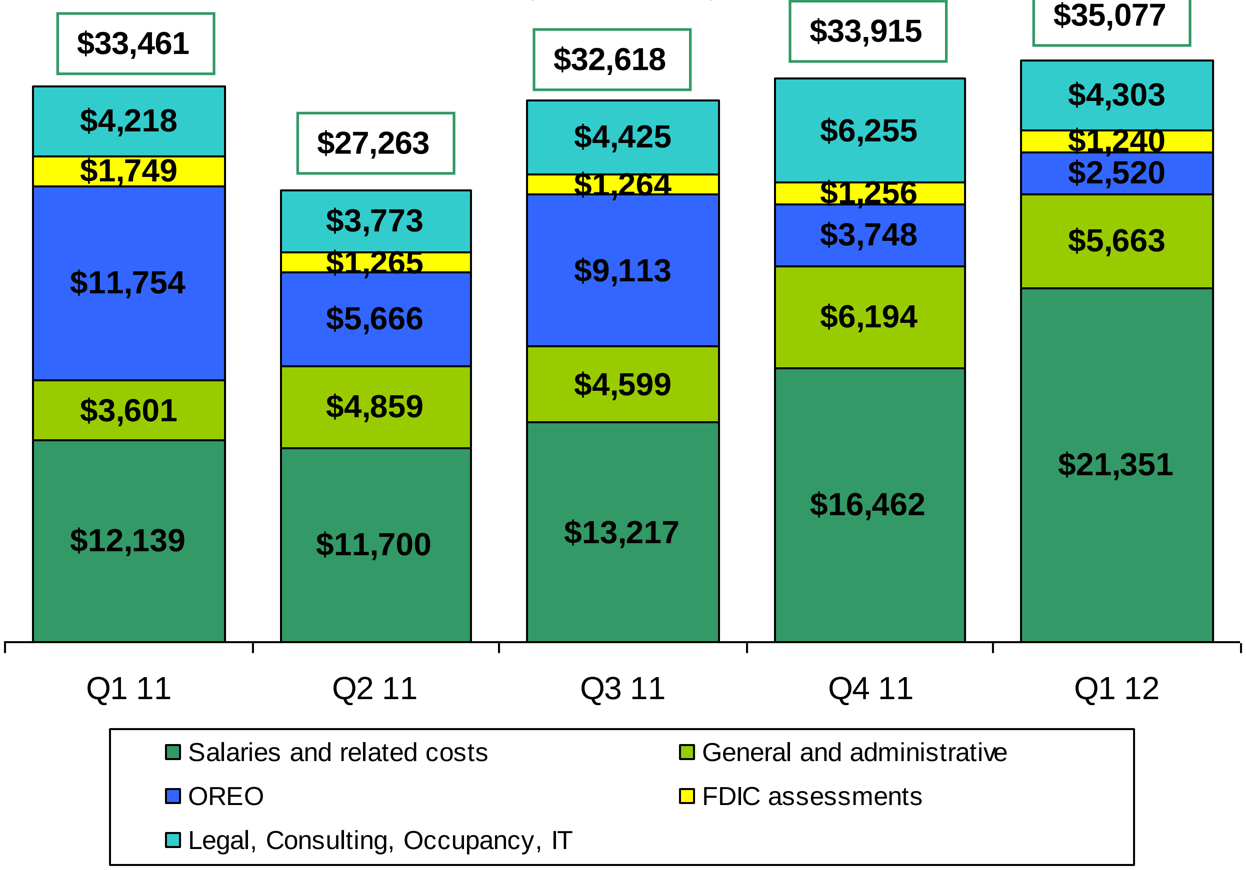
Noninterest Expense

($ in thousands)



Headcount at quarter-end

566	577	598	613	821

- Q1 operating efficiency ratio of 62%[1]
- Near-term expense reductions
  - FDIC assessments
  - Legal & collections
  - OREO expenses
- Noninterest expense will continue to vary based on headcount and mortgage origination activity

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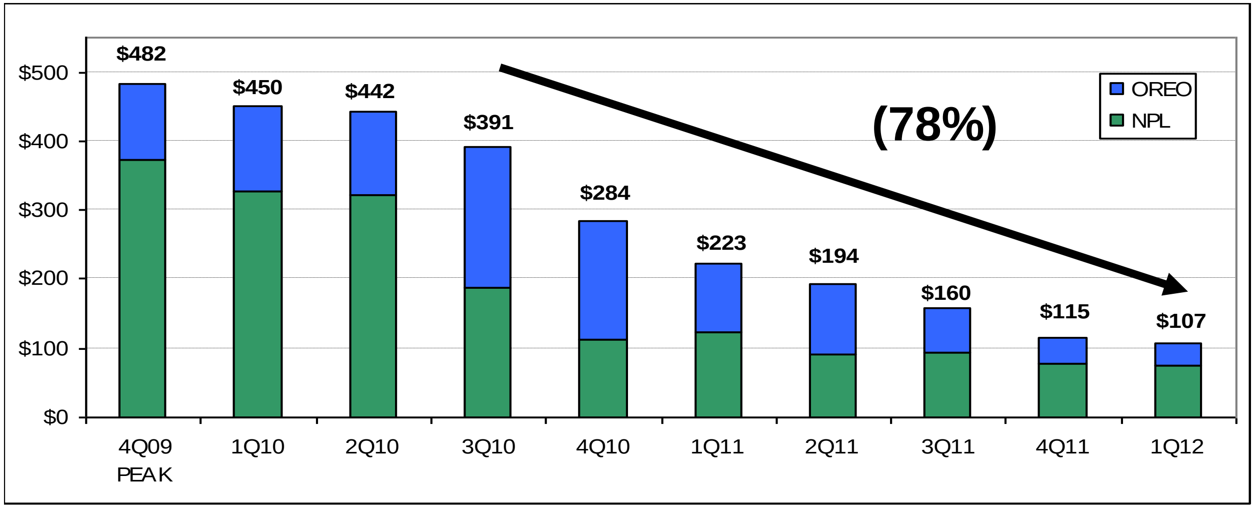
[1] See Appendix for reconciliation of non-GAAP financial measures.

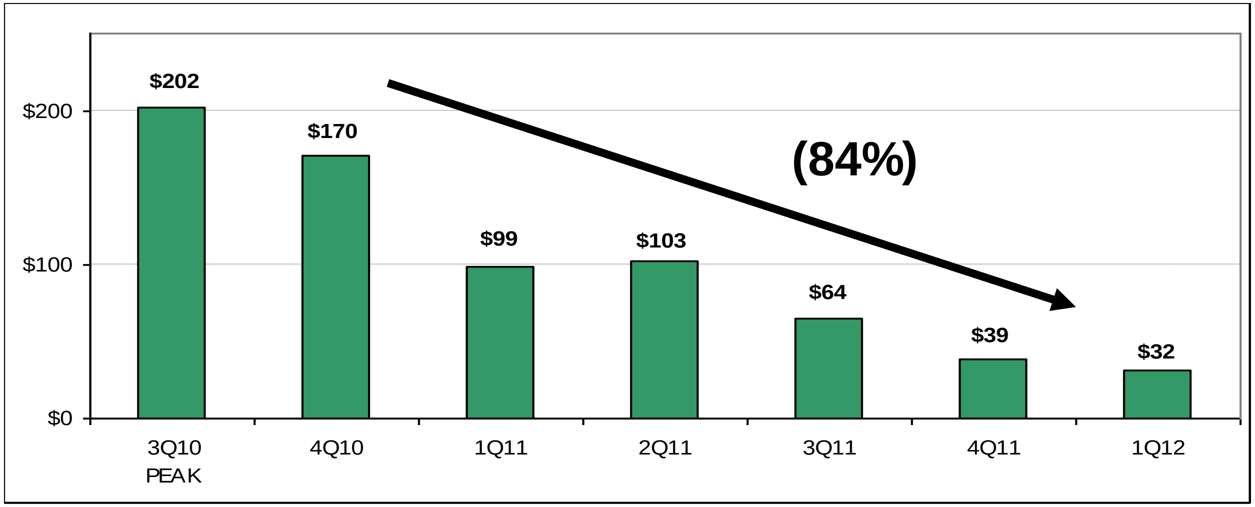
Significant Improvement in Asset Quality

Non-Performing Assets ($ in millions)



- NPAs down 78% from 2009 peak
- NPAs as a percent of total assets down to 4.6%

OREO ($ millions)



- OREO declined 84% from 2010 peak
- As of 5/10, 65% of Q1 2012 OREO sold or contracted for sale

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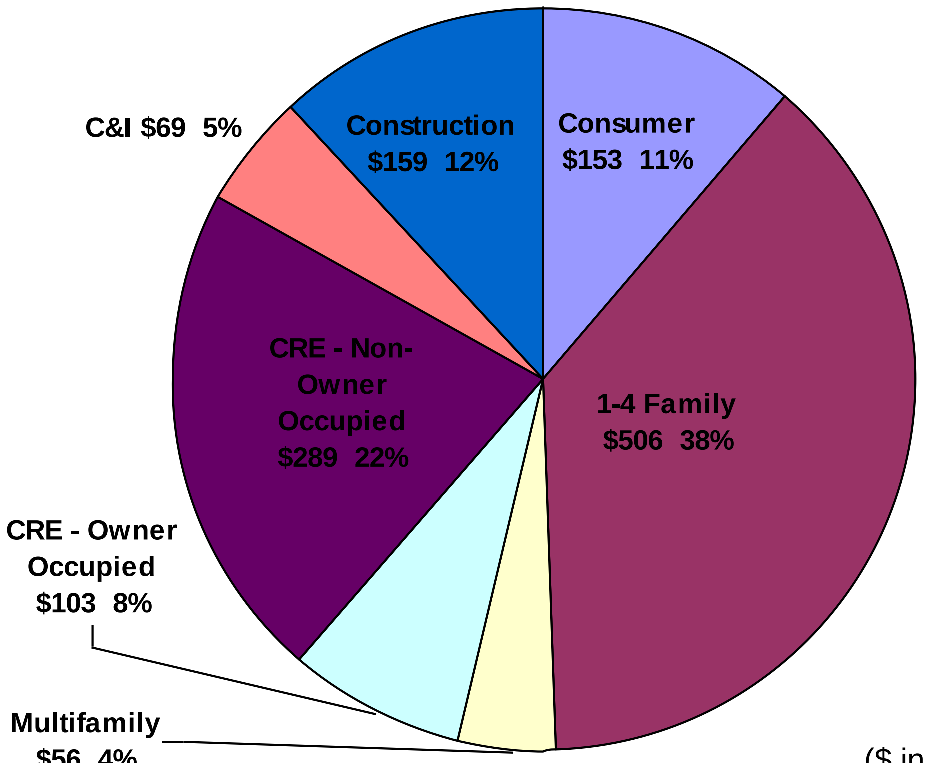
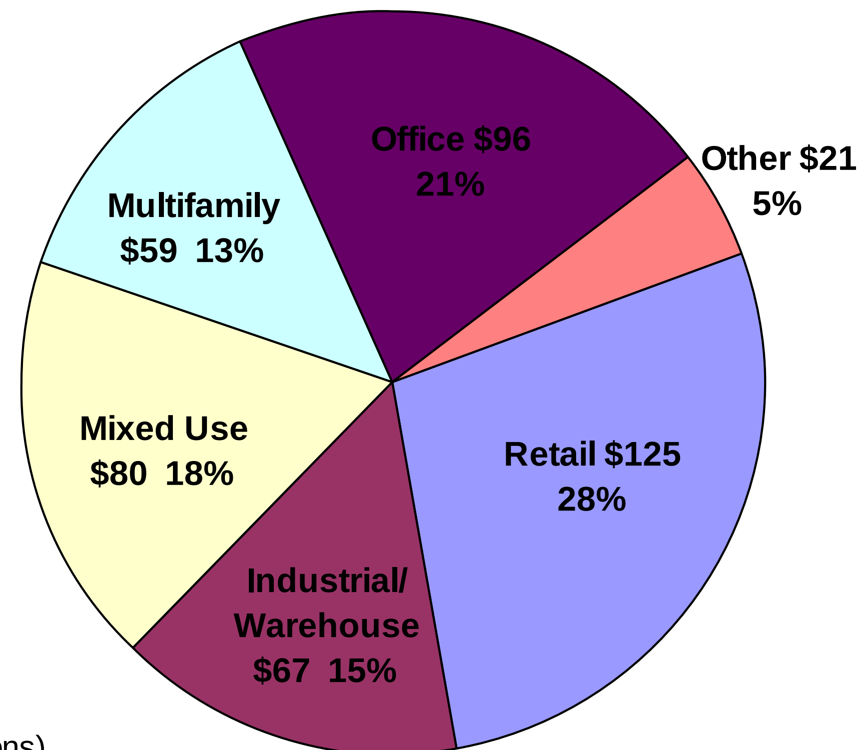
Loan Portfolio Characteristics

- Focus on reducing exposure to high-risk property types
- Restarting traditional lending lines – business banking, commercial real estate construction lending

Loan Composition[1]



CRE by Property Type[1]



($ in millions)

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(1) As of March 31, 2012

Near-Term Goals – Portfolio Mix

March 31, 2012		Target
Single Family 49%	→	30-40%
CRE 26%	→	30-40%
C&I 13%[1]	→	20-30%
Construction 12%	→	15-20%

(1) Includes owner-occupied properties

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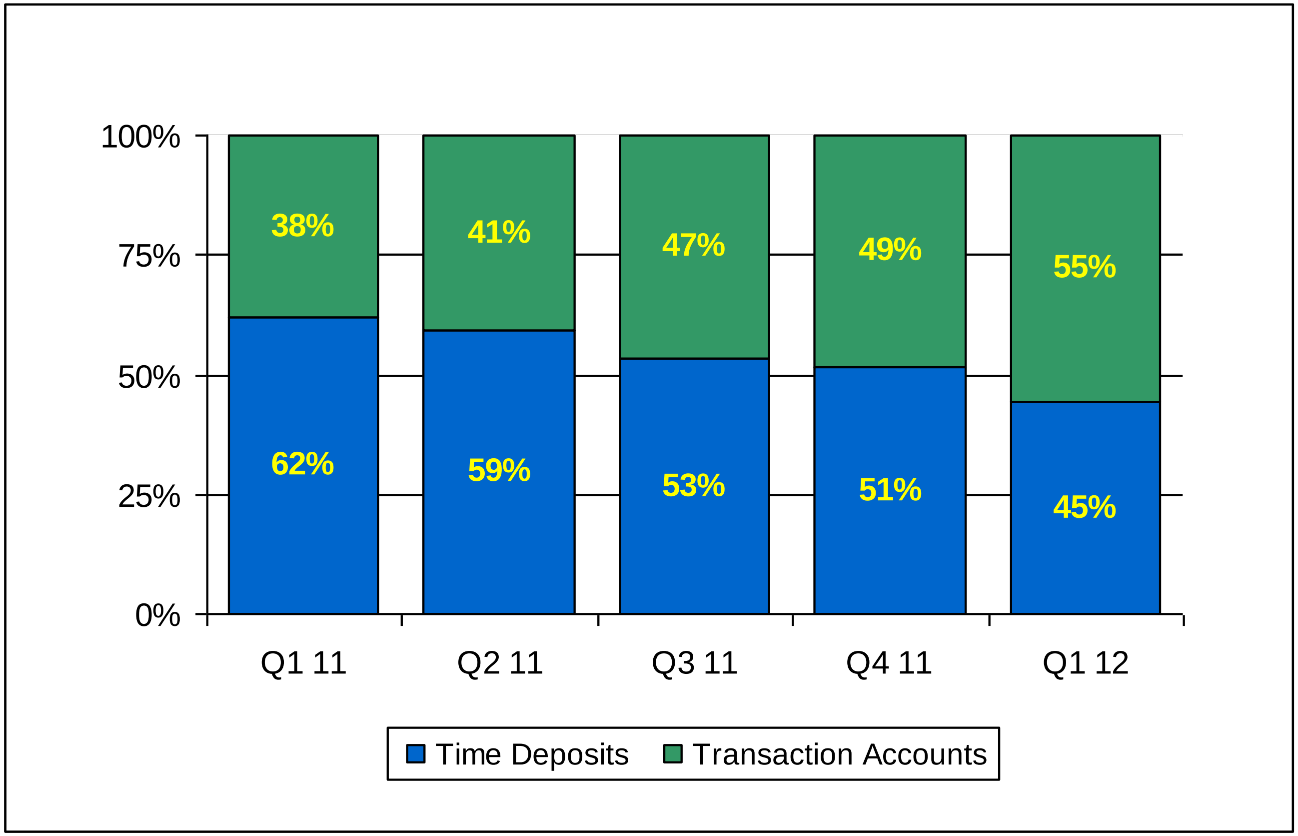
Composition of Deposits



- Total deposits of $2.0 billion at 3/31/12
- No material change in total deposit balance over past 5 quarters
- Transaction accounts increased by $134 million in Q1 to 55% of total deposits
- Time deposits decreased by $143 million
- New retail branches planned to increase density

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Long-Term Growth Strategies

- Organic growth opportunities driven by attractive market demographics
  - Job growth and housing recovery is expected to outpace the overall economy
  - Well educated workforce, high incomes and strong population trends
- Expand commercial and consumer banking activities
  - Commercial: lending, cash management, insurance
  - Consumer: mortgage loans, deposits, investments, insurance
- Expand single family mortgage banking activities
- Expand multifamily mortgage banking through the Fannie Mae DUS program
- Restart and grow traditional portfolio lending – Business Banking, Commercial Real Estate and Construction

Appendix

Non-GAAP Reconciliation

	Three Months Ended				
($ in millions)	**3/31/2012**	**12/31/2011**	**9/30/2011**	**6/30/2011**	**3/31/2011**
Noninterest expense	$35.1	$33.9	$32.6	$27.3	$33.5
Less: OREO expense	2.5	3.7	9.1	5.7	11.8
Adjusted noninterest expense	$30.6	$27.8	$23.5	$21.6	$21.7
Net interest income before provisions	12.9	12.9	12.0	11.9	11.6
Noninterest income	39.5	27.5	37.3	18.9	14.5
Adjusted operating revenue	$52.4	$40.3	$49.2	$30.8	$26.0
Operating efficiency ratio	62.1%	74.8%	47.7%	70.1%	83.3%
Efficiency ratio	66.9%	84.1%	66.3%	88.4%	128.4%

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