HomeStreet

MANAGEMENT UPDATE
Fourth Quarter & Year-End 2012

NASDAQ:HMST

Important Disclosures

Forward-Looking Statements

In accordance with the Private Securities Litigation Reform Act of 1995, we caution you that we may make forward-looking statements about our future financial performance and business in this presentation that are subject to many risks and uncertainties. These forward-looking statements are based on our management's and other experts' 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 2012 Annual Report on Form 10-K and our various Quarterly Reports on Form 10-Q. Many of these factors are beyond our control. Such factors could cause actual results to differ materially from the results discussed or implied in the forward-looking statements. For instance, our ability to expand our banking operations geographically and across market sectors, grow our franchise and capitalize on market opportunities may be limited due to future risks and uncertainties. Actual results may fall materially short of our expectations and projections, and we may change our plans or take additional actions that differ in material ways from our current intentions. Accordingly, you should not rely unduly on forward-looking statements. All forward looking statements are based on information available to the Company as of the date hereof, and we cannot undertake 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 December 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

- 92-year diversified financial services company headquartered in Seattle
- $2.63 billion institution with 22 retail branches and 27 stand-alone lending centers
- Full-service commercial bank and diversified lender
- $1.98 billion in deposits
- Attractive PNW demographics
  - Population growth
  - Household/business formation
  - Employment base, job creation
  - Concentration of large high-growth employers
  - Housing recovery

State	# of Branches
Washington	33
Oregon	7
Hawaii	5
Idaho	3
California	1

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Diversified Lines of Business

Community Banking

- Deposit products
- Commercial and consumer loans
- Cash management services
- Investment products
- Insurance products

Single Family Mortgage Lending

- All retail direct originations
- Majority of production sold into secondary market
- Home equity loans and lines of credit

Income Property Lending

- All CRE loan types with focus on multifamily
- One of 25 Fannie Mae DUS® multifamily lenders; only one headquartered in PNW
- Commercial construction, bridge and permanent portfolio loans

Residential Construction Lending

- Residential construction portfolio loans
- Primarily home building
- Tract and one-close custom home construction
- Generally short duration
- Limited land exposure

Recent Developments

- Dividend of $0.11 per share declared to shareholders of record as of April 11, 2013, to be paid on April 22, 2013
- Opened two new bank branches in fourth quarter:
  - Lynnwood, WA, in November
  - Fremont neighborhood of Seattle, WA, in December
- Selected as Seattle Seahawks/Seattle Sounders new banking partner
- FDIC and WDFI terminated HomeStreet Bank's Memorandum of Understanding in December 2012
- Federal Reserve's board of governors terminated Company's regulatory order on March 26, 2013

2012 Results of Operations

	For the three months ended Dec. 31, 2012	2012	2011
Net interest income	$ 16,591	$ 60,743	$ 48,494
Provision for loan losses	4,000	11,500	3,300
Noninterest income	71,720	237,534	97,205
Noninterest expense	55,754	183,105	126,494
Net income before taxes	28,557	103,672	15,905
Income taxes	7,060	21,546	(214)
Net income	$ 21,497	$ 82,126	$ 16,119
Diluted EPS	$ 1.46	$ 5.98	N/M (2)
ROAA	3.46%	3.43%	0.70%
ROAE	32.80%	39.18%	23.52%
Net Interest Margin	3.06%	2.89%	2.36%
Operating Efficiency Ratio (1)	61.81%	58.01%	66.04%
Tier 1 Leverage Ratio (Bank)	11.78%		6.04% (3)
Total Risk-Based Capital (Bank)	19.31%		11.15% (3)

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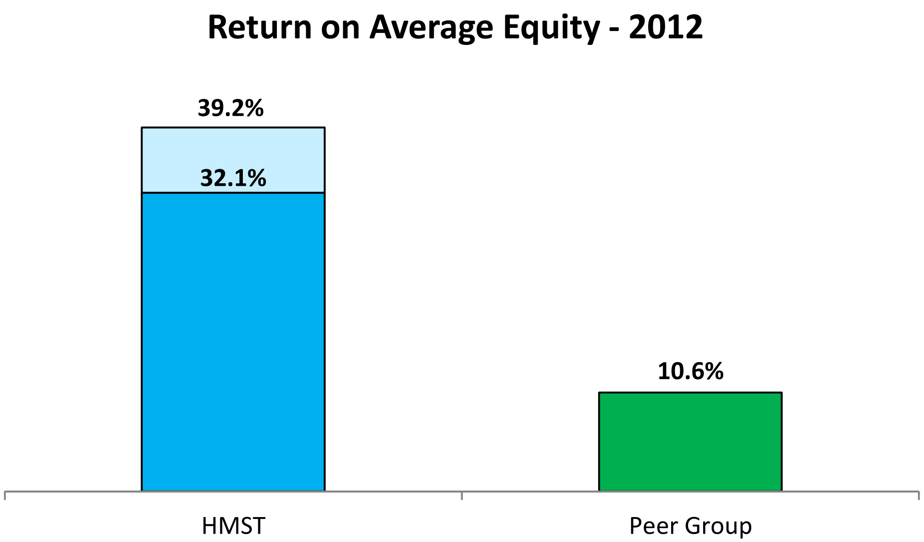
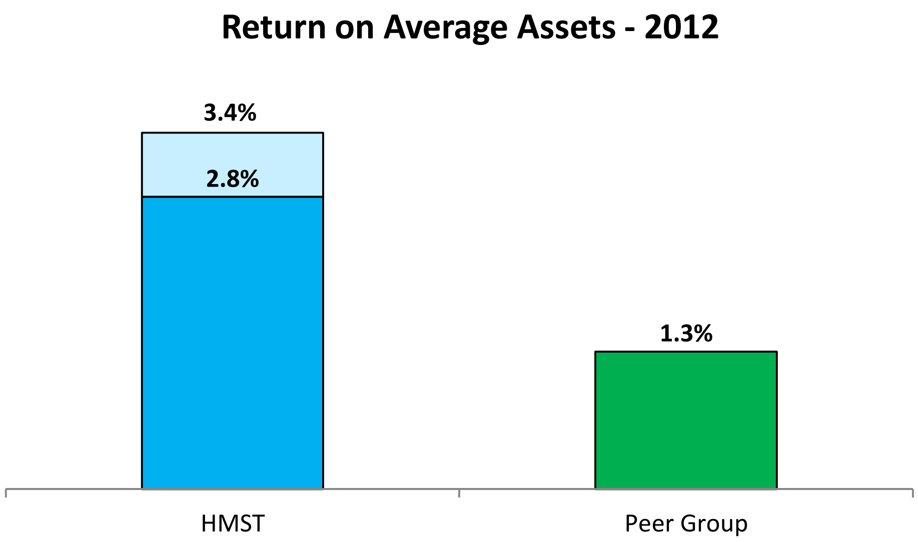
(1) See Appendix for reconciliation of non-GAAP financial measures
(2) Not meaningful due to 2012 IPO
(3) At Dec. 31, 2011

HMST Returns Compared to Peer Average

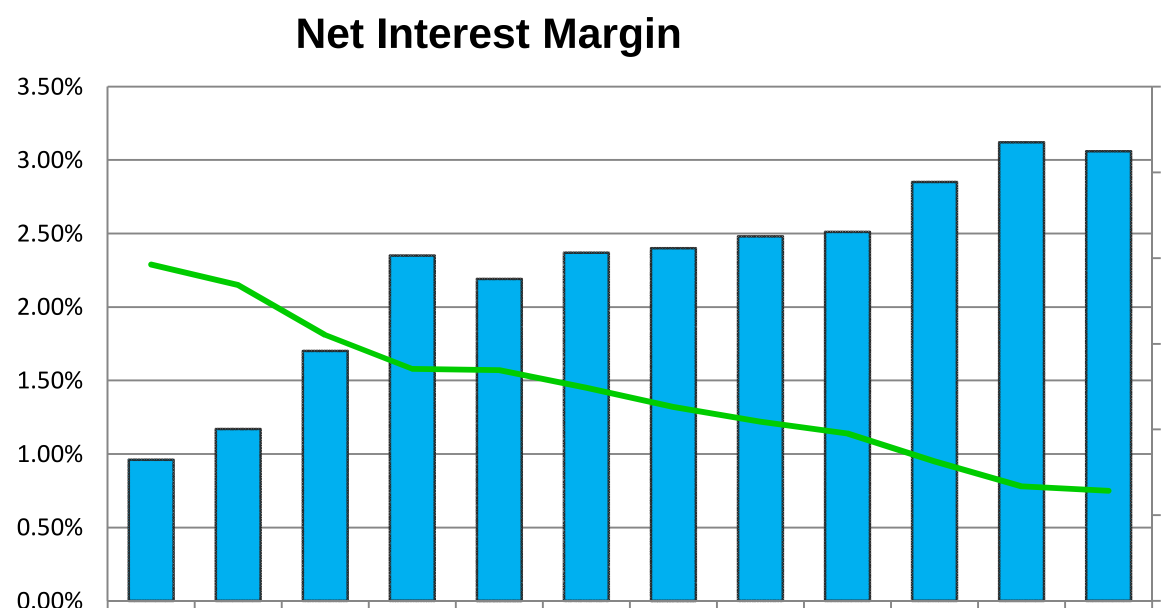




- Pro forma Return on Average Equity (ROAE) of 32.1% fully taxed at 35% effective rate versus 2012 actual ROAE of 39.2% at actual effective tax rate of 21% which was reduced due to the utilization of prior year tax benefits
- Pro forma Return on Average Assets (ROAA) of 2.8% fully taxed at 35% effective rate versus 2012 actual ROAA of 3.4% at actual effective tax rate of 21% which was reduced due to the utilization of prior year tax benefits
- Peer group comprised of WAFD, UMPQ, STSA, FIBK, GBCI, COLB, BANR, WCBO, WBCO, PCBK. Source: SNL Financial

Net Interest Margin

- NIM decreased 6 bps to 3.06% - change primarily due to recovery of non-accrual interest in Q3
- Average cost of deposits decreased to 75 bps due to continued repricing of time deposits
- Total interest-bearing cost of funds decreased to 96 bps from 99 bps in Q3
- $418 million in time deposits maturing in first half of 2013 at average rate of 1.82%



	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
Net Interest Margin (%)	0.96%	1.17%	1.70%	2.35%	2.19%	2.37%	2.40%	2.48%	2.51%	2.85%	3.12%	3.06%
Avg. Cost of Deposits (%)	2.29%	2.15%	1.81%	1.58%	1.57%	1.45%	1.32%	1.22%	1.14%	0.95%	0.78%	0.75%
Total Interest-Bearing COF (%)	2.45%	2.31%	2.00%	1.78%	1.73%	1.61%	1.48%	1.40%	1.33%	1.11%	0.99%	0.96%

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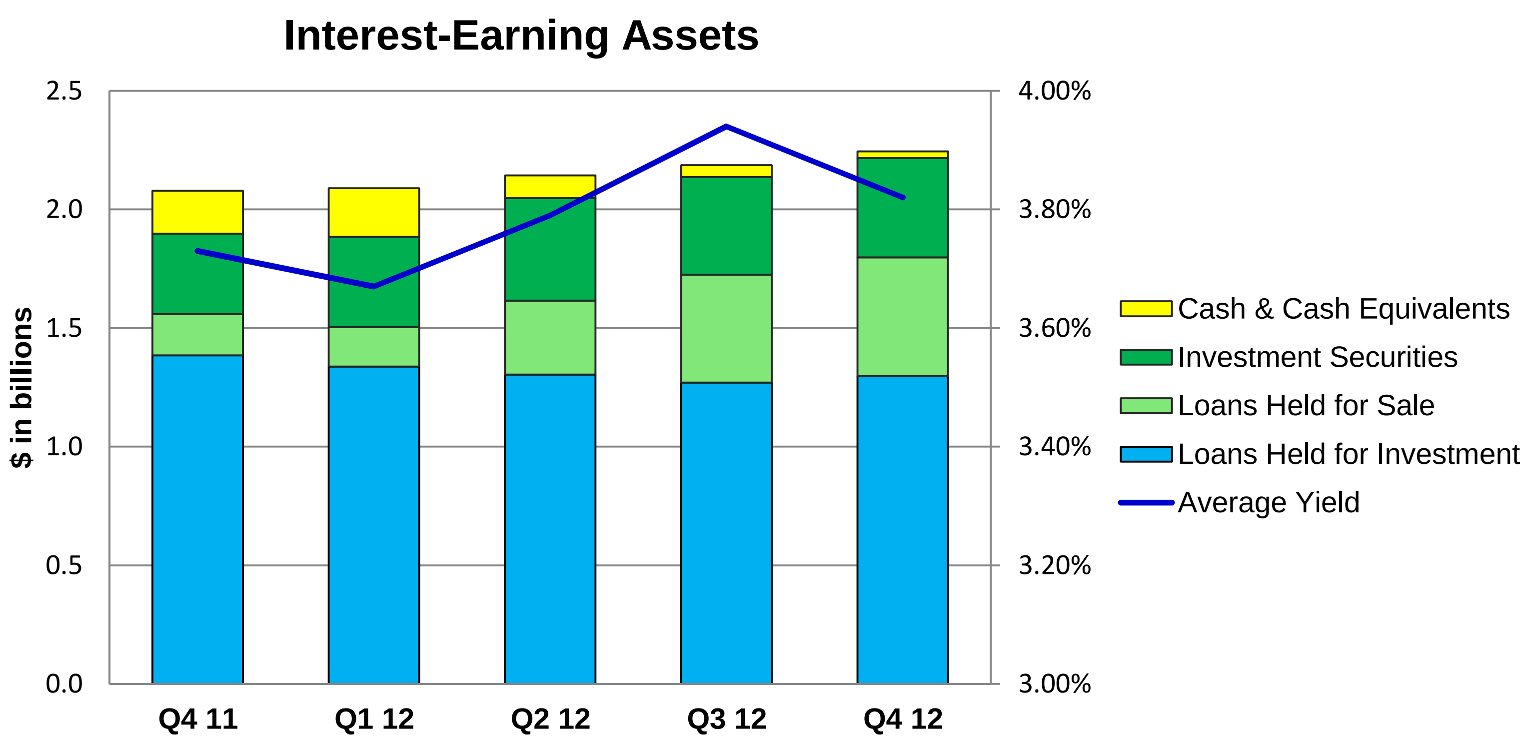
Interest-Earning Assets

- Higher net interest income reflects an increase in earning assets and continued improvement in asset yields
- Total average interest-earning assets increased nearly $57 million to $2.24 billion in Q4
- Total average interest-earning assets increased due to higher mortgage production volume and higher average balance of loans held for sale
- Average asset yield decreased to 3.82% in Q4 from 3.94% in Q3



Avg. Yield	3.73%	3.67%	3.79%	3.94%	3.82%

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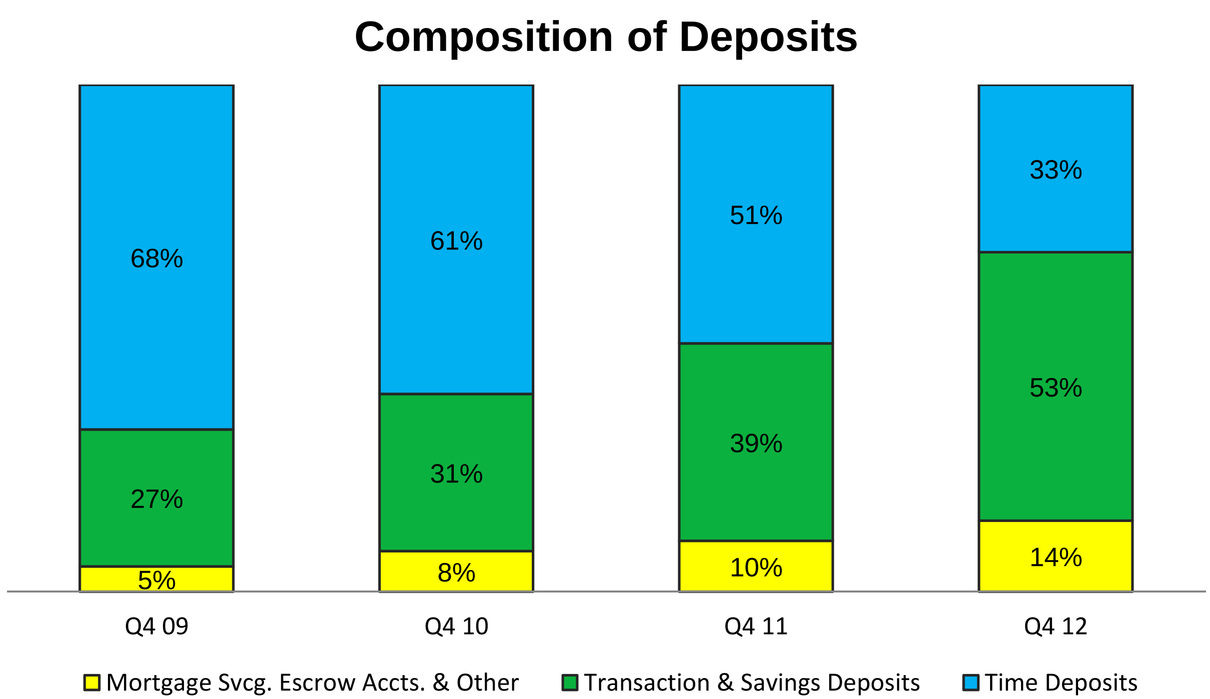
Improving Composition of Deposits

- Total deposits of $1.98 billion at December 31, 2012
- Transaction and savings deposits grew $17 million in Q4 and $272 million in 2012 to equal 53% of total deposits, compared to approximately 39% at the end of 2011
- Time deposits decreased $29 million in Q4 and $378 million in 2012
- Two new retail branches opened in Greater Seattle metropolitan market in Q4 2012; four new branch openings planned for 2013



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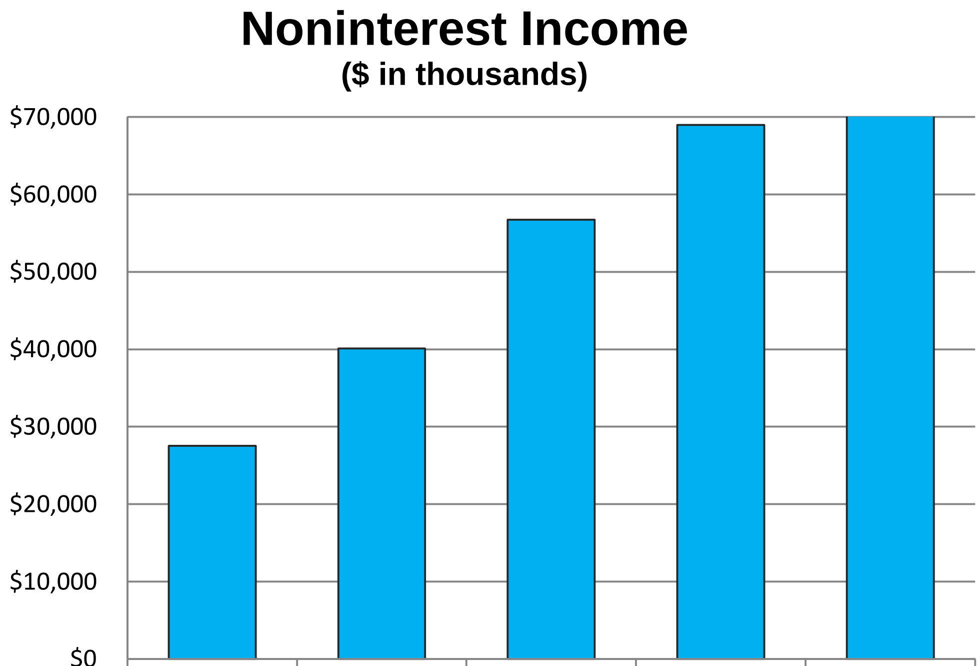
Noninterest Income

- Noninterest income increased 144% to $237.5 million for full-year 2012, compared to $97 million for 2011, driven by increased mortgage loan origination and sale revenue
- 2012 Noninterest Income/Total Average Assets of 9.9% vs. peers of 0.8% (1)



	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
Noninterest Income	$27,543	$40,097	$56,743	$68,976	$71,720

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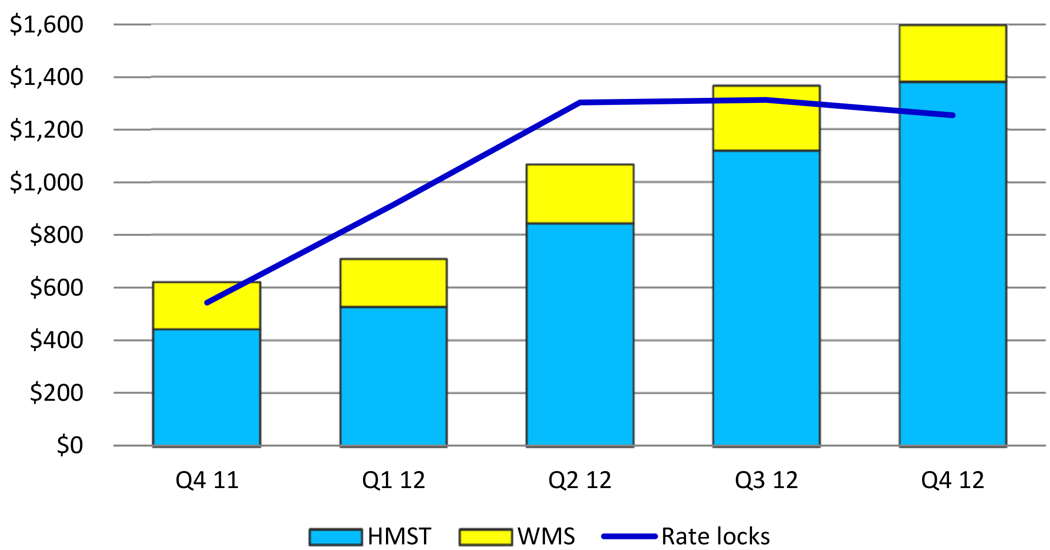
(1) Peer group comprised of WAFD, UMPQ, STSA, FIBK, GBCI, COLB, BANR, WCBO, WBCO, PCBK
(Source: SNL)

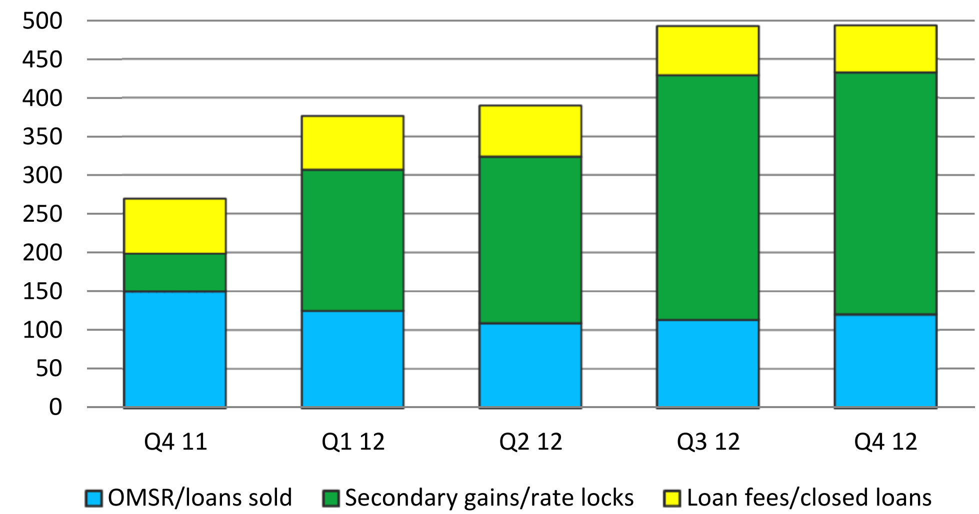
Mortgage Banking Franchise

Single Family Closed Loan Production
($ in millions)



	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
HMST	$446	$529	$847	$1,123	$1,304
WMS	$178	$183	$222	$245	$215
Total production	$624	$712	$1,069	$1,368	$1,519
Rate locks	$543	$915	$1,303	$1,313	$1,255

Single Family Composite Margin
(bps)



	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
OMSR/loans sold	151	126	110	114	121
Secondary gains/rate locks	49	182	215	316	313 [4]
Loan fees/closed loans	71	69	66	63	60
Composite Margin	271	377	391	493	494 [4]

[4] Excludes the impact of a $1.3 million correction that was recorded in secondary marketing gains in the fourth quarter of 2012 for the cumulative effect of an error in prior years related to the fair value measurement of loans held for sale. Including the impact of this correction, the secondary marketing gain margin and Composite Margin were 324 and 505 basis points, respectively, in the fourth quarter of 2012.

- Volume driven by low interest rates, industry consolidation, increasing capacity and HARP 2.0
- Record closed loan production of $1.5 billion for Q4 and $4.67 billion for the full year
- 364 retail loan originators, up from 210 at 12/31/11 [1]
- Market share rank #2 in five-county Puget Sound area and Spokane County, #1 in Clark County and #5 in Greater Portland area [2,3]
- Q4 purchase volume represented 32% of total Single Family closed loans [3]
- Captured 8% of volume in four-state region (WA, OR, ID & HI) in Q4 on loans for new construction (from 0.5% of volume as of 1/1/12) [3]

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[1] Includes Windermere Mortgage Services
[2] Based on combined production with Windermere Mortgage Services
[3] *Source: Marketrac*

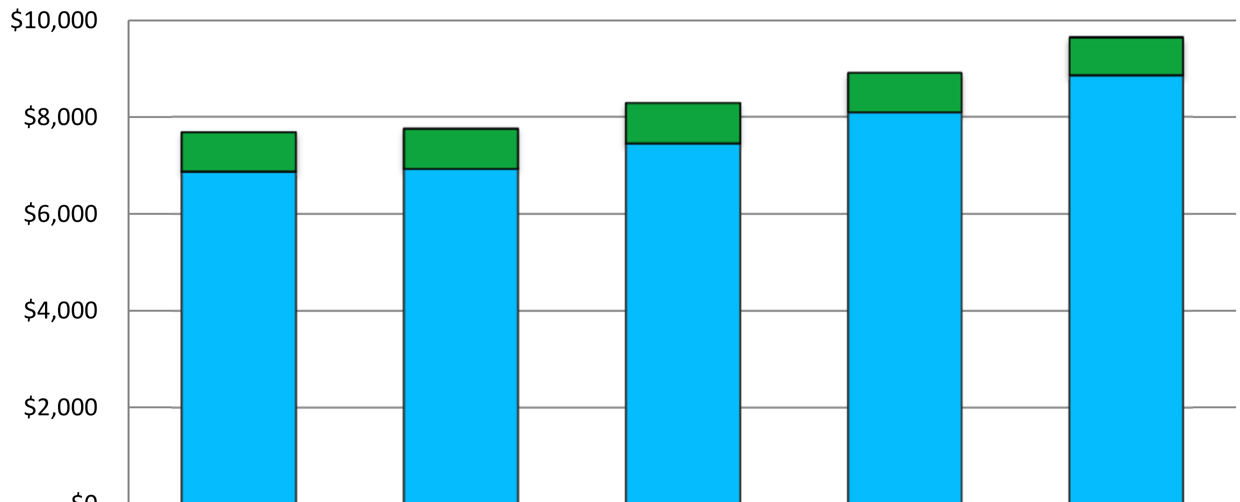
Growing Mortgage Servicing Portfolio

Single Family

- Weighted average servicing fee of 31 bps
- MSRs represent 0.99% of ending UPB – 3.16 weighted average servicing fee multiple
- Weighted average age – 26.9 months
- Composition 27% government, 73% conventional
- Total delinquency of 2.09% (including foreclosures) at 12/31/12
- Weighted average note rate of 4.34%
- High recapture of refinances – 62% in Q4

Mortgage Servicing Portfolio

($ in millions)



	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
Commercial (Primarily DUS)	$815	$826	$829	$814	$780
SF Residential	$6,885	$6,947	$7,469	$8,110	$8,871

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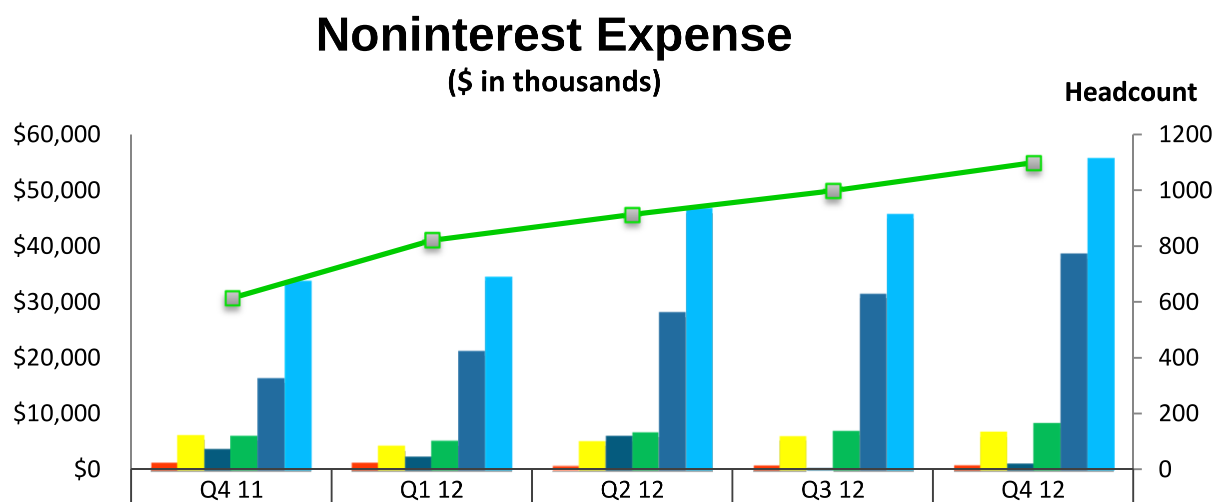
Noninterest Expense



	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
FDIC assessments	$1,256	$1,240	$717	$794	$803
Legal, consulting, occupancy, IT	$6,255	$4,303	$5,132	$6,071	$6,780
OREO	$3,748	$2,520	$6,049	$348	$1,169
General & administrative	$6,182	$5,273	$6,725	$7,033	$8,322
Salaries & related costs	$16,462	$21,351	$28,224	$31,573	$38,680
Total Expenses	$33,903	$34,687	$46,847	$45,819	$55,754
Headcount	613	821	913	998	1099
Operating efficiency ratio	74.78%	60.77%	57.03%	53.18%	61.81%

- 2012 operating efficiency ratio of 58.01% (1)
- Noninterest expense will continue to vary based on headcount and mortgage origination revenue

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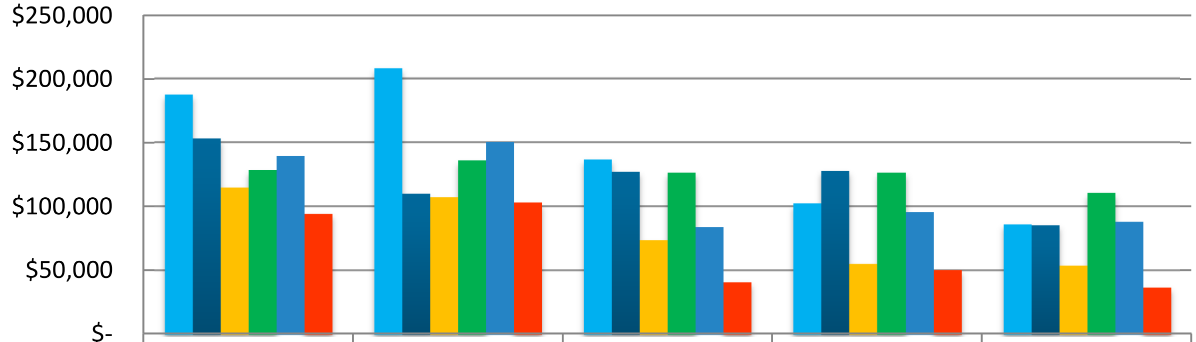
(1) See Appendix for reconciliation of non-GAAP financial measures

Ongoing Improvement in Asset Quality

- Reduction in classified and nonperforming assets of over 50% for full-year 2012
- Q4 reductions in:
  - Classified assets: 15.7%
  - Nonperforming loans: 21.8%
- At 12/31/12, classified and nonperforming assets were 3.28% and 2.05% of total assets

Credit Quality



	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
Total classified assets	$188,167	$208,792	$137,165	$102,385	$86,270
Total criticized loans	$153,269	$109,925	$127,558	$128,358	$85,774
Total nonperforming assets	$115,056	$107,215	$73,725	$55,250	$53,833
Total TDRs	$128,471	$135,936	$126,957	$126,735	$110,783
Total Delinquencies	$139,860	$150,463	$83,928	$95,744	$88,227
Total delinquencies excluding govt insured/guaranteed loans	$94,616	$103,277	$41,197	$50,690	$37,031

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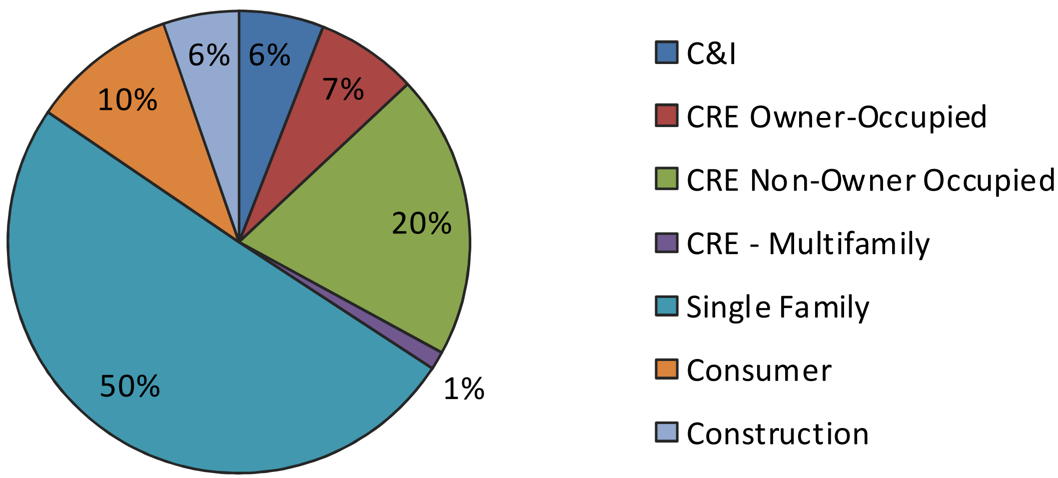
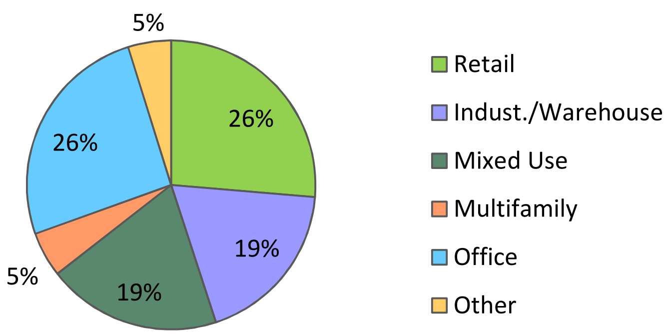
Loan Portfolio Characteristics

- Second consecutive quarter of net growth in loan portfolio; net growth of $40 million, with $98 million in new commercial lending and commitments for the quarter

Loan Composition (1)
$1.34 billion



CRE by Property Type (1)
$ 379 million



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(1) As of December 31, 2012

Long-Term Growth Strategies

- Diversify revenue to grow non-mortgage banking income
  - Organic growth opportunities driven by attractive market demographics
    - Expand commercial and consumer banking activities
      - Commercial: lending, deposits, cash management, investments, insurance
      - Consumer: mortgage loans, deposits, investments, insurance
    - Expand multifamily mortgage banking, primarily through Fannie Mae DUS® program
    - Grow portfolio lending – C&I, Commercial Real Estate and Construction
  - Potential growth through acquisition of smaller in-market and near-market institutions
- Continue opportunistic expansion (market share and footprint) of Single Family mortgage banking activities

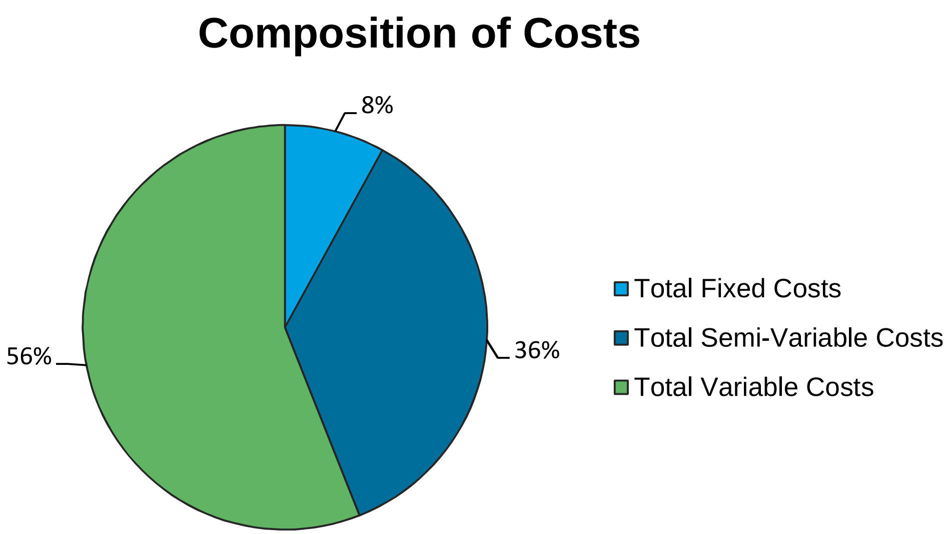
Why HomeStreet?

- Established and expanding community bank with strong ties in the Pacific Northwest and Hawaii
- Leading regional Single Family mortgage lender and only Fannie Mae DUS® Multifamily lender headquartered in the Northwest
- Focus on growth of commercial banking and expansion of traditional portfolio lending business lines to balance mortgage income
- Superior returns on equity due to high noninterest income

Managing Through the Mortgage Market Transition

Managing Cyclicality

- Highly scalable mortgage origination platform
- Costs:
  - Fixed: occupancy, IT
    - Production offices primarily located in major metropolitan areas; expected to be profitable through the cycle
  - Semi-variable: production staff base salaries, fulfillment and underwriting
    - In transition from refi to purchase market, low-producing loan officers will be managed or self-select out, to control fixed costs
    - Fulfillment personnel managed through a volume-based staffing model
  - Variable: loan officer production commissions, loan officer unit incentives, manager incentives
    - Commission rates tiered to volume



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Refi and Purchase Volumes – 2004 to 2012

- HomeStreet has consistently produced higher volumes of purchase loans than the industry
- Given the higher relative production of purchase mortgages, HomeStreet's market share should rise with declining refinance volume and strengthening housing markets

	2004		2005		2006		2007		2008		2009		2010		2011		2012	
	Purch	Refi	Purch	Refi	Purch	Refi	Purch	Refi	Purch	Refi	Purch	Refi	Purch	Refi	Purch	Refi	Purch	Refi
MBA [1]	56%	44%	52%	48%	52%	48%	48%	52%	53%	47%	35%	65%	30%	70%	32%	68%	29%	71%
Home-Street	59%	41%	59%	41%	66%	34%	64%	36%	52%	48%	39%	61%	43%	57%	46%	54%	37%	63%

[1] **Mortgage Bankers Association's "MBA Mortgage Finance Forecast"**

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Strategy: Build on Best-in-Breed Strengths and Market Position

- Retain existing offices and open more offices with expanded footprint. HomeStreet is attractive employer based on company's strong regional platform, quality and profitability:
  - Top-tier compensation plans for high volume originators
  - Reliable fulfillment and high quality sales support
    - Timely closings on purchases
    - Production assistant program
  - Complete menu of products, including "one-step" construction-to-permanent loans, portfolio products and focused builder-takeout marketing program
    - 24% of purchase volume was generated by builder-takeout lending program in 2012
  - Market-leading pricing for all loan types
  - Individualized marketing support, including Customer Relationship Management technology
- Scalable, efficient and customer-friendly servicing platform
  - Best-in-class servicing customer retention -- #1 among 16 peers (MGIC National Peer Group)

Retail Origination Model

- HomeStreet has 100% retail production – no third party correspondent or broker origination
- Since 2000, national mortgage originations by channel have changed significantly:

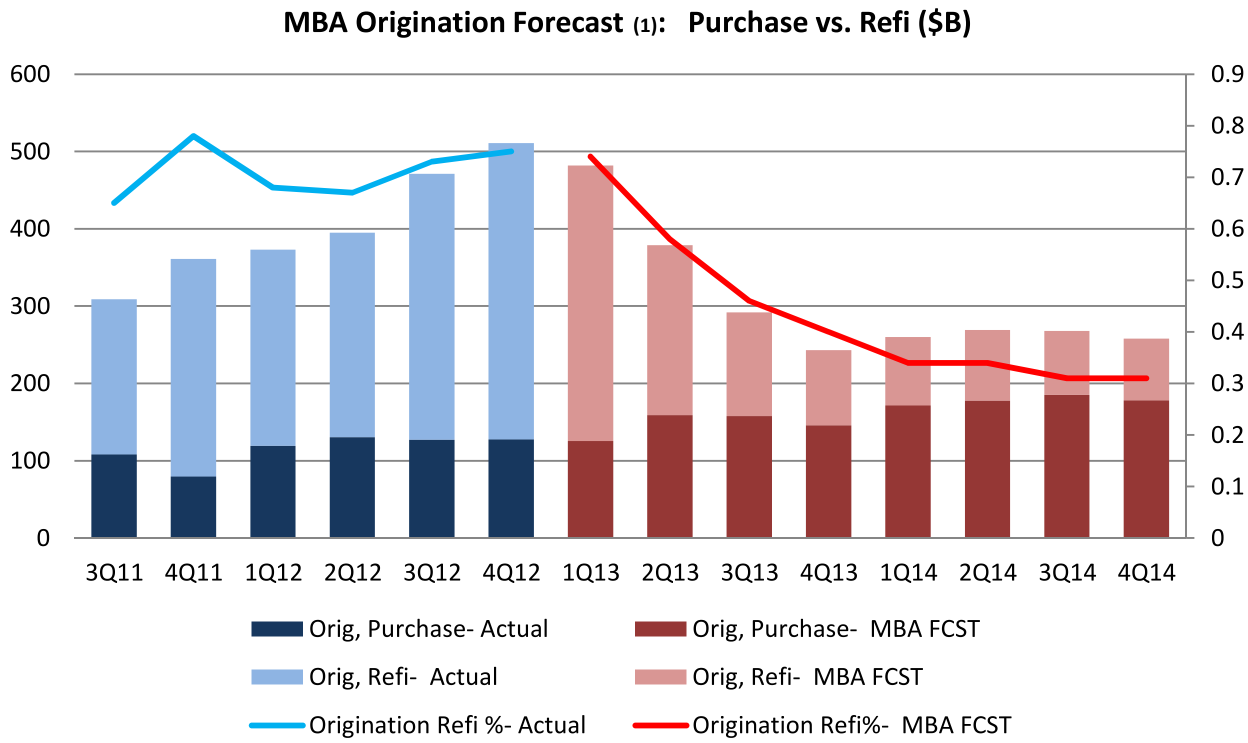
	Market Share (1)	
	2000	2012
Retail	38%	60%
Broker	28%	11%
Correspondent	34%	29%

- Advantages of Retail Channel:
  - Higher retail origination and funding fees offset higher production costs
  - Better credit performance; lower compliance risk
  - As a retail originator and direct seller to the GSEs, HomeStreet operates without credit or pricing overlays necessary for brokers and correspondents

(1) Inside Mortgage Finance: Originations by Production Channel: Revised March 1, 2013

2013-2014 MBA Forecast

- MBA forecasts 2013 as a transition year, leading to a stronger purchase market and reduced refinance activity



(1) MBA Mortgage Finance Forecast, March 22, 2013

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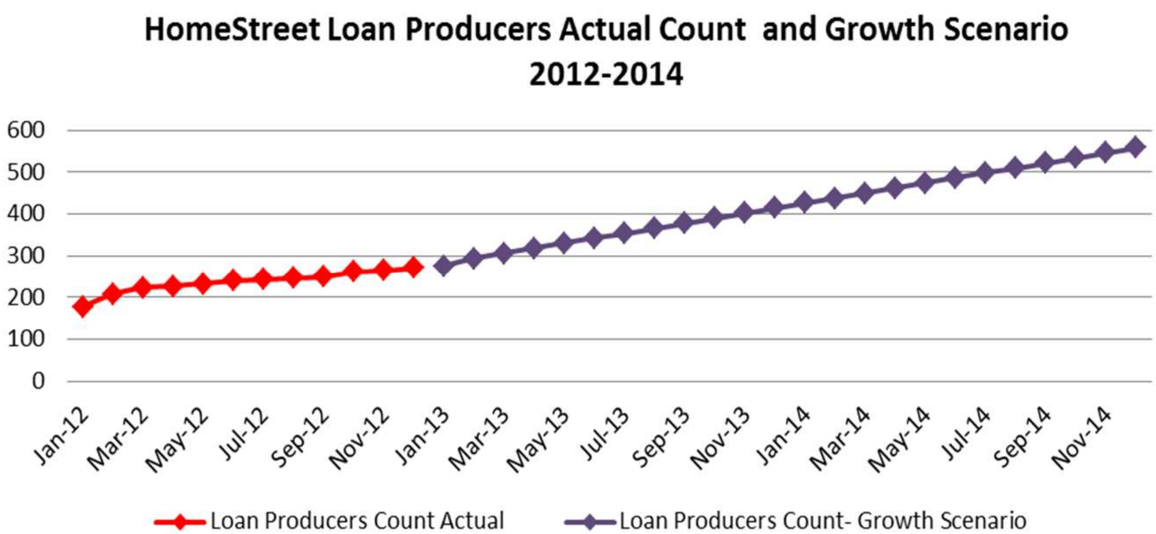
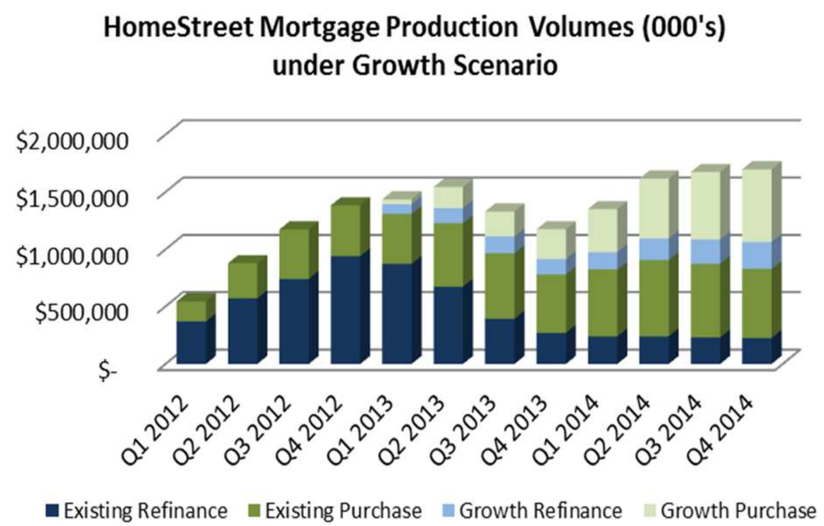
Sustaining Mortgage Production Volumes Through a Changing Market – Scenario Analysis

- Growth strategy is defensive and offensive:
  - Protect existing market share by retaining highest-performing lending officers
  - Continue to hire top performers in our target market areas focused on purchase mortgages
  - Grow new house purchase market share through our builder-takeout lending program
- Scenario Analysis Assumptions:
  - MBA Mortgage Finance Forecast dated March 22, 2013
  - Actual 2012 and 2013-2014 loan production staff hiring scenario
  - Estimated loans per producer adjusted to reflect MBA market forecast



2012 Actual Loan Producers Growth: 94 or 53% increase
2013 Growth Scenario Loan Producers Growth Projection: 144 or 53% Increase
2014 Growth Scenario Loan Producers Growth Projection: 144 or 35% Increase



Expected reduction in production volumes for existing loan producing staff is offset through growth of Loan Producers, resulting in more moderate effect of the changing market in the near term and overall volume growth prospects in the longer term.

Appendix

Management Team

Executive	Joined Company	Years in Industry	Relevant Experience
Mark K. Mason *Director, Vice Chairman, President and Chief Executive Officer*	September 2009	27	• Seasoned banking executive with demonstrated success implementing turnaround and growth strategies • Former Chairman and CEO of Fidelity Bank
Cory D. Stewart *Executive Vice President, Chief Accounting Officer*	March 2012	13	• Extensive experience in finance, accounting and enterprise risk management roles in the financial industry including at Washington Mutual • MBA, CPA, CFA charter holder
Darrell van Amen *Executive Vice President, Chief Investment Officer*	March 2003	24	• Manages bank's MSR and pipeline risk, secondary marketing and investment portfolio • Formerly with Royal Bank of Canada and Old Kent Financial
Jay C. Iseman *Executive Vice President, Chief Credit Officer*	August 2009	22	• Significant experience in credit administration and special assets for Bank of America and Key Bank • Chairs Bank Loan Committee

Management Team (cont.)

Executive	Joined Company	Years in Industry	Relevant Experience
Godfrey B. Evans *Executive Vice President, General Counsel and Chief Administrative Officer*	November 2009	32	• Significant experience in banking, regulation, M&A and corporate securities law • Previously General Counsel and CAO at Fidelity Federal Bank and corporate lawyer at Gibson, Dunn & Crutcher
Richard W. H. Bennion *Executive Vice President, Residential Lending Director*	June 1977	36	• Responsible for Single Family permanent and construction lending production • Member of Fannie Mae Western Business Center Advisory Board
Martin A. Steele *Executive Vice President, Chief Commercial Banking Officer*	November 2012	31	• Manages bank's commercial lending, cash management, investment advisory and wealth management services • Previously with Bank of America, Seafirst, and regional CEO of Boston Private Bank
Randy Daniels *Executive Vice President, Income Property Lending Director*	September 2012	26	• Oversees commercial real estate lending activity through both portfolio and Fannie Mae DUS programs • Formerly led Bank of America's commercial real estate division in the Northwest

Basel III

Estimated Capital Ratios under Basel III – December 31, 2012

		HomeStreet Bank		HomeStreet, Inc.	
	Well-Capitalized Minimum	**Under Current Rules**	**Pro forma Basel III** (2)	**Under Current Rules**	**Pro forma Basel III** (2,3)
Tier 1 Leverage	5.0%	11.8%	10.4%	12.6%	11.0%
Total Risk-Based Capital	10.5% (1)	19.3%	13.8%	16.0%	11.8%

(1) Ratio includes 2.5% Capital Conservation Buffer required by Basel III for unrestricted payments of dividends, share buybacks and discretionary bonus payments

(2) Risk-weighted assets do not include the impact of first payment default reps and warranties on Single Family loan sales

(3) Does not reflect the phase-out over ten years of $60 million of Trust Preferred Securities under the current Basel III proposal

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Non-GAAP Reconciliation

($ in millions)	Three Months Ended 12/31/2012	9/30/2012	6/30/2012	3/31/2012	12/31/2011
Noninterest expense	$55.8	$45.8	$46.8	$34.7	$33.9
Less: OREO expense	1.2	0.3	6.0	2.5	3.7
Adjusted noninterest expense	$54.6	$45.5	$40.8	$32.2	$30.2
Net interest income before provisions	16.6	16.5	14.8	12.8	12.8
Noninterest income	71.7	69.0	56.7	40.1	27.5
Adjusted operating revenue	$88.3	$85.5	$71.5	$52.9	$40.3
Operating efficiency ratio	61.8%	53.2%	57.0%	60.8%	74.8%
Efficiency ratio	63.1%	53.6%	65.5%	65.5%	84.1%