[HomeStreet]

SECOND QUARTER 2013 UPDATE - REVISED

NASDAQ:HMST

Important Disclosures

Forward-Looking Statements

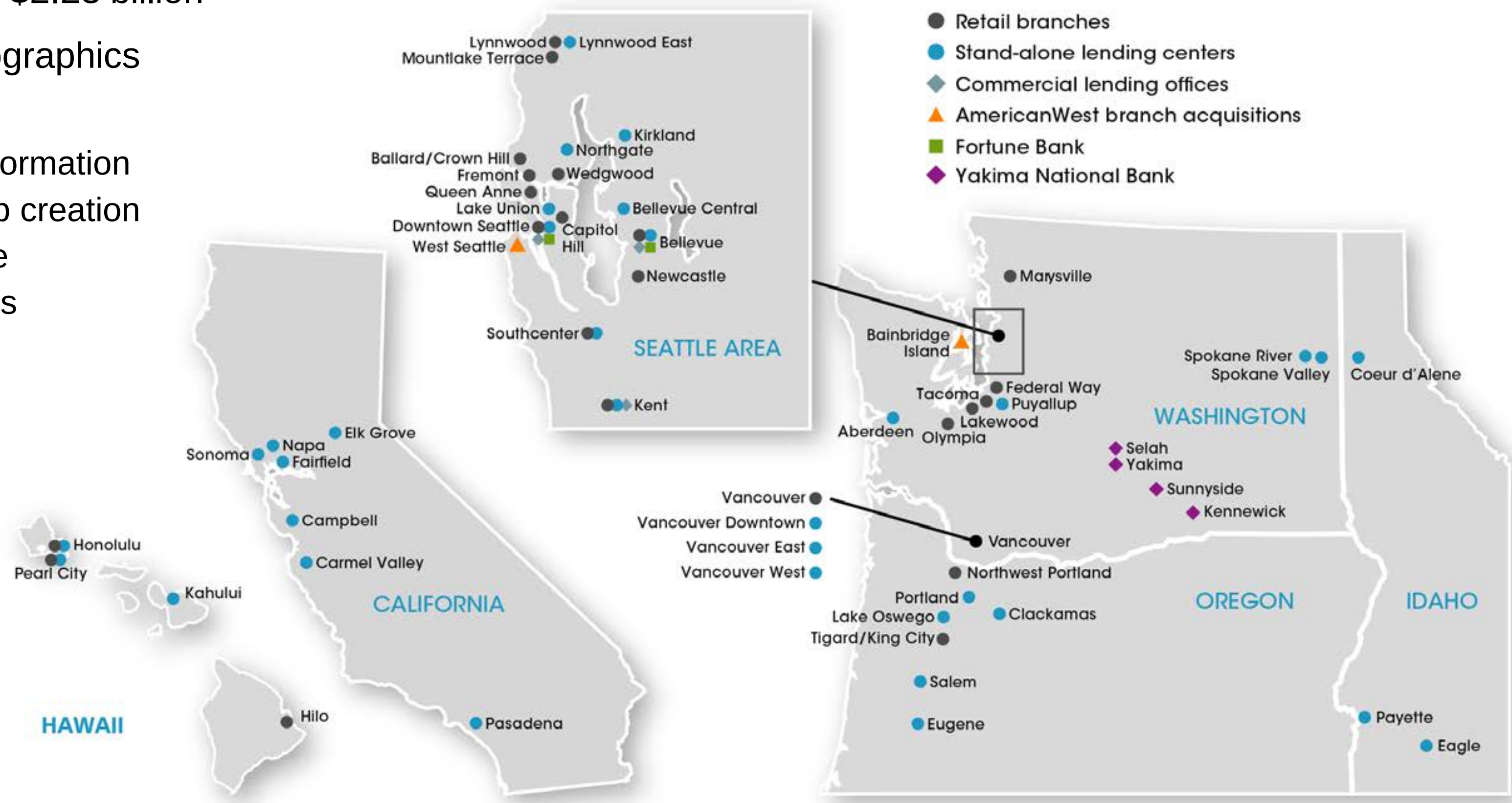
In accordance with Section 21E of the Securities Exchange Act of 1934, as amended, we caution you that we may make forward-looking statements about our industry, our future financial performance and business activity in this presentation that are subject to many risks and uncertainties. These forward-looking statements are based on our management'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 most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and our most recent Quarterly Report 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. These risks include statements predicated on our ability to expand our banking operations geographically and across market sectors, grow our franchise and capitalize on market opportunities, which outcomes are subject to our ability to manage these efforts cost-effectively and to attain the desired operational and financial outcomes; our ability to manage the losses inherent in our loan portfolio; our ability to make accurate estimates of the value of our non-cash assets and liabilities; our ability to respond to an increasingly restrictive and complex regulatory environment; and our ability to attract and retain key personnel. 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, we can give no assurance of future performance, and 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 do not 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 June 30, 2013.

Established Pacific Northwest Franchise

- 92-year diversified financial services company headquartered in Seattle
- Leading Northwest mortgage lender and diversified commercial & consumer bank
- Pro forma assets of $3.05 billion with branch network in Pacific Northwest, California and Hawaii (1)
- 29 retail deposit branches, 34 stand-alone home loan centers and three stand-alone commercial lending centers (2)
- Pro forma deposits of $2.23 billion (3)
- Attractive PNW demographics
  - Population growth
  - Household/business formation
  - Employment base, job creation
  - Concentration of large high-growth employers
  - Housing recovery



(1) Assets are pro forma and include assets acquired from AmericanWest, Fortune Bank and Yakima National Bank based on data at 6/30/13.
(2) Includes acquisition of four Yakima National Bank locations and two AmericanWest Bank retail deposit branches, expected to close in the fourth quarter of 2013. Fortune Bank branches will be consolidated into existing HomeStreet Bank branches upon closing of transaction.
(3) Deposits are pro forma and include deposits acquired from AmericanWest, Fortune Bank and Yakima National Bank based on data at 6/30/13.

Mortgage and Traditional Banking

Mortgage Banking

- Originator and servicer
- All retail direct originations [1]
- Majority of production sold into secondary market
- Fannie Mae, FHA, VA lender since programs' inception
- Portfolio products: jumbo and custom home construction

[1] Includes Windermere Mortgage Services

Commercial & Consumer Banking

- Commercial lending including SBA
- Treasury and cash management services
- CRE lending: construction, bridge and permanent portfolio loans
- One of 25 Fannie Mae DUS® multifamily lenders; only one based in Pacific Northwest
- Residential construction
  - Primarily home building; limited land exposure
- Consumer banking and lending
- Investment products
- Insurance products

Key Business Objectives

Diversify revenue through growth of Commercial & Consumer Banking

- Organic growth opportunities driven by attractive market demographics
  - Expand commercial and consumer banking activities
  - Expand multifamily mortgage banking, primarily through Fannie Mae DUS® program
  - Grow portfolio lending – C&I, CRE and Construction
  - Increase density of retail deposit branch network in core Puget Sound market
- Growth through acquisition of smaller institutions in- and near-market

Build Single Family market share

- Continue opportunistic expansion (market share and footprint) of Single Family mortgage banking activities
- Expand mortgage market in California and other Western states

Ongoing expense management

- Business and personnel growth create expense inefficiencies in the short run
- Long-term target efficiency ratio in the low 60% range

Optimize use of capital

- Invest in growth
- Shareholder dividends consistent with peers

Recent Developments - Revised

- On July 9, the Company announced the execution of a definitive agreement for HomeStreet Bank to purchase two AmericanWest Bank branches in the Seattle Metro area, for which we recently received regulatory approval; the transaction is expected to close in the fourth quarter of 2013
- On July 26, the Company announced that it has entered into two separate merger agreements to acquire Fortune Bank and Yakima National Bank, subject to regulatory approval and shareholder approval of each of the proposed mergers; the transactions are expected to close in the fourth quarter of 2013
- On August 15, 2013, the Company paid a special common stock dividend of $0.11 per share to shareholders of record as of August 5, 2013
- Added six new home loan centers in Northern and Central California since the end of the second quarter
- Significant increase in interest rates since May has resulted in sharp decline in mortgage production volumes (primarily refinance mortgages) and has also led to a decline in gain on sale margins. These factors are expected to result in a significant decline in earnings for the Mortgage Banking segment over the 2nd half of 2013

Results of Operations *($ in thousands)*

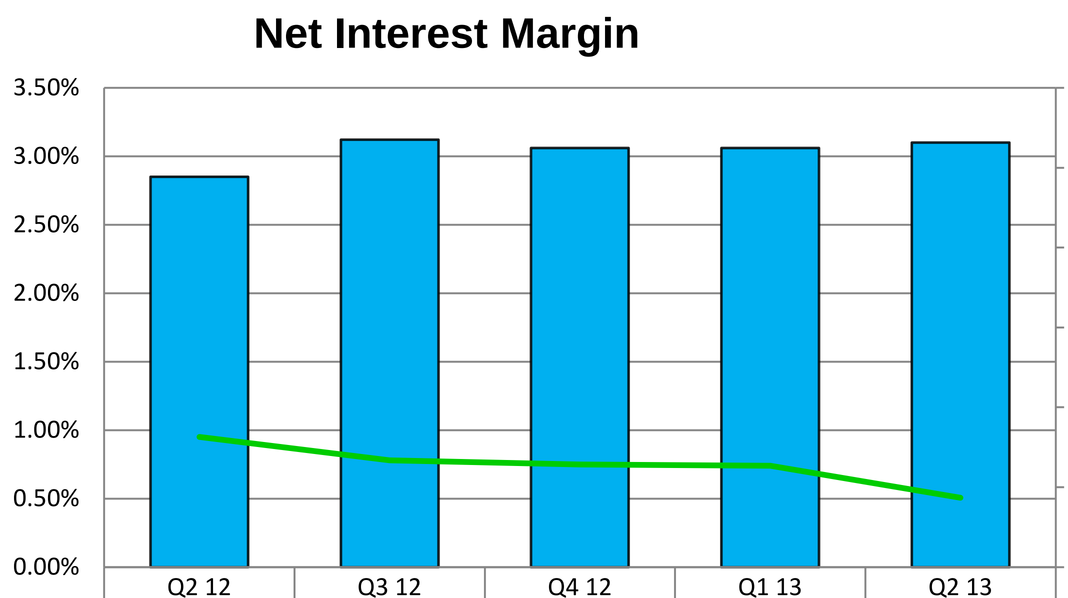
	For the three months ended		For the six months ended	
	June 30, 2013	**June 30, 2012**	**June 30, 2013**	**June 30, 2012**
Net interest income	$ 17,415	$14,799	$ 32,650	$27,631
Provision for loan losses	400	2,000	2,400	2,000
Noninterest income	57,556	56,850	116,499	96,998
Noninterest expense	56,712	46,954	112,511	81,691
Net income before taxes	17,859	22,695	34,238	40,938
Income taxes	5,791	4,017	11,230	2,301
Net income	$ 12,068	$18,678	$ 23,008	38,637
Diluted EPS	$ 0.82	$ 1.26	$ 1.56	$ 3.03
ROAA	1.86%	3.15%	1.81%	3.30%
ROAE	17.19%	36.03%	16.58%	44.39%
Net Interest Margin	3.10%	2.85%	2.96%(1)	2.68%
Tier 1 Leverage Ratio (Bank)	11.89%	10.20%	11.89%	10.20%
Total Risk-Based Capital (Bank)	19.15%	17.09%	19.15%	17.09%

(1) Interest expense for the first quarter included $1.4 million related to the correction of the cumulative effect of an error in prior years resulting from the under-accrual of deferred interest due on TruPS. The Company's Net Interest Margin for the six months ended June 30, 2013, including the impact of this correction, was 3.08%.

[HomeStreet]

Net Interest Margin

- Q2 NIM increased 4 bps
- Average cost of deposits decreased to 51 bps due to changes in composition of deposits
- Cost of deposits anticipated to fall to between 43 and 45 bps in Q3

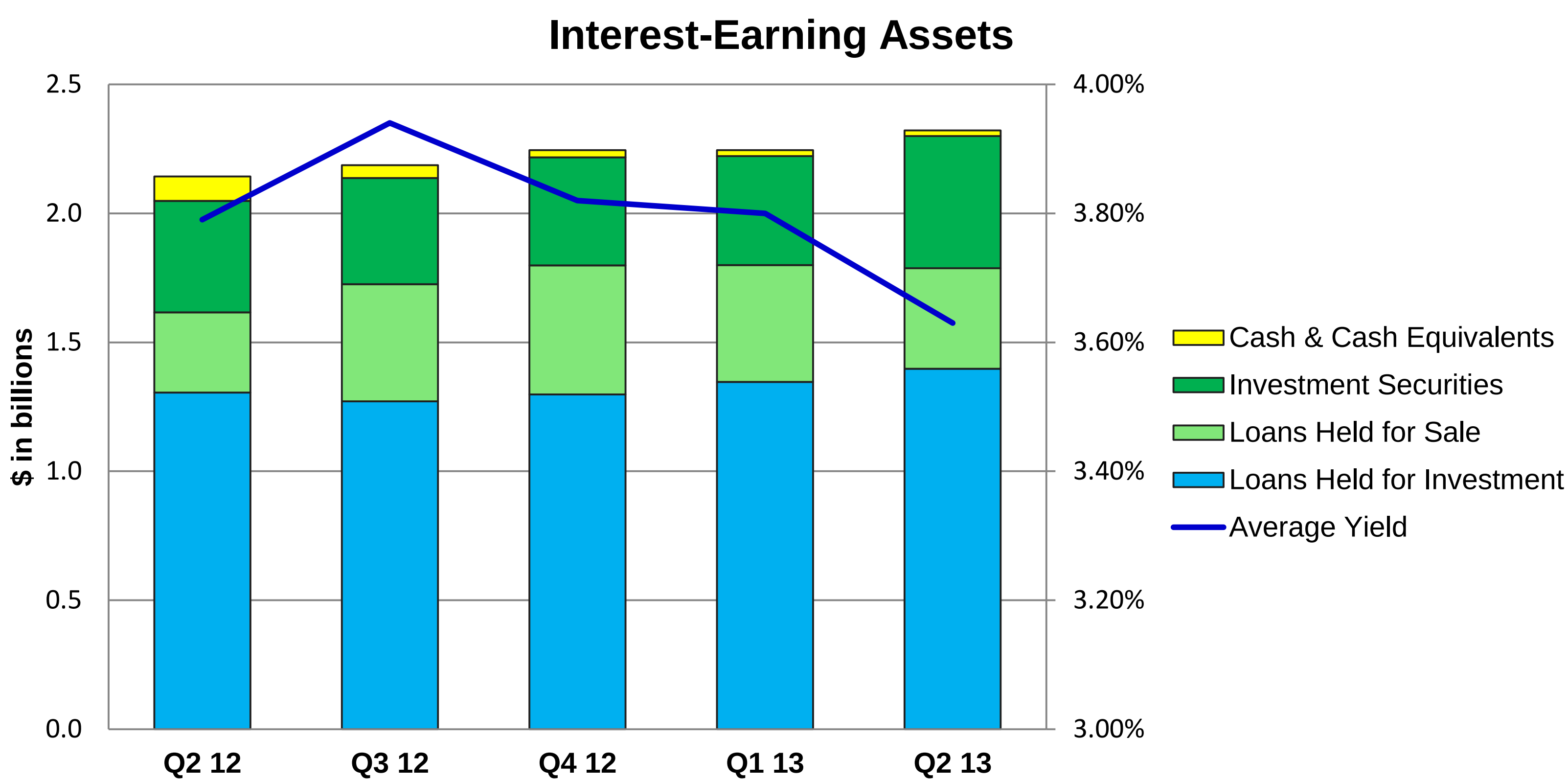


	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Net Interest Margin (%)	2.85%	3.12%	3.06%	3.06% (1)	3.10%
Avg. Cost of Deposits (%)	0.95%	0.78%	0.75%	0.74%	0.51%
Total Interest-Bearing COF (%)	1.11%	0.99%	0.96%	0.94% (1)	0.64%

(1) Interest expense for the first quarter included $1.4 million related to the correction of the cumulative effect of an error in prior years resulting from the under-accrual of deferred interest due on TruPS. The Company's Net Interest Margin and Total Interest-Bearing Cost of Funds for the first quarter, including the impact of this correction, were 2.81% and 1.27%, respectively.

Interest-Earning Assets

- Average loans held for investment increased by $51 million or 3.8% in Q2
  - Net new originations in mortgage, commercial, commercial real estate and residential construction
  - New loan commitments totaled $211 million for the second quarter, an increase of 84% over the first quarter
- Total average interest-earning assets increased by $77 million or 3.4%



Avg. Yield	3.79%	3.94%	3.82%	3.80%	3.63%

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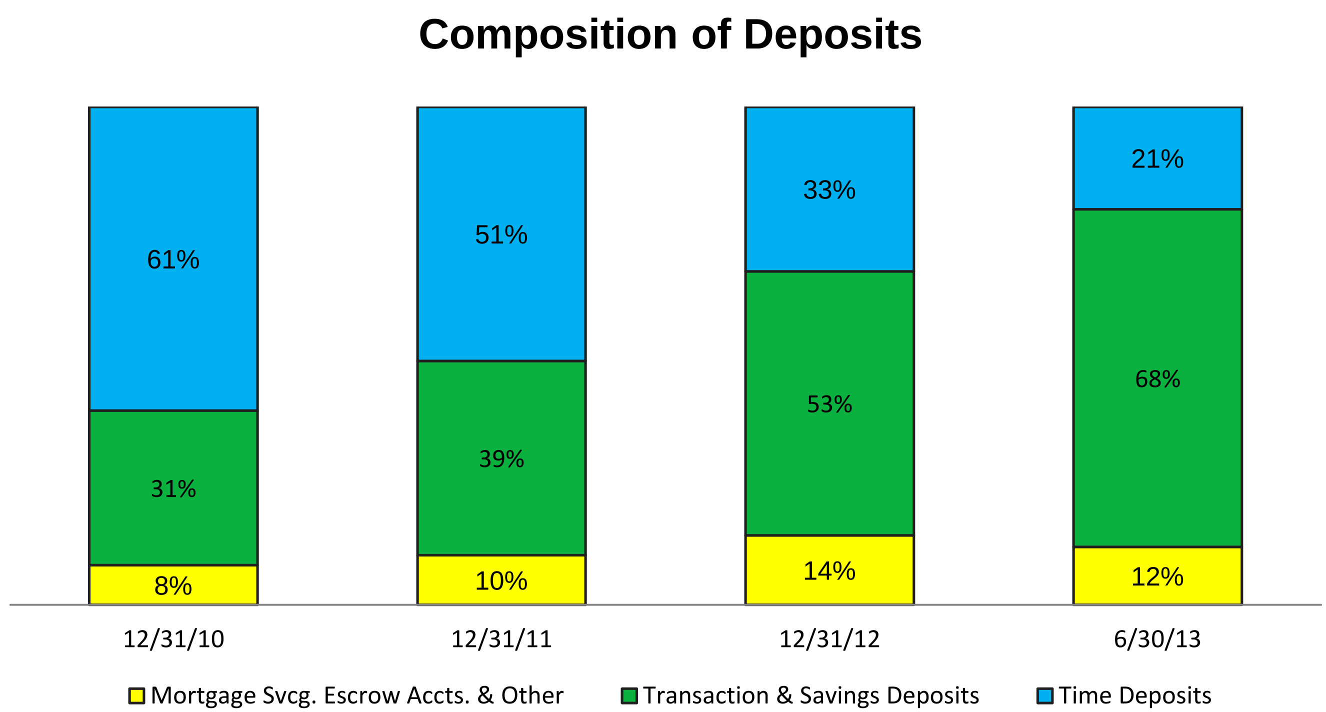
Composition of Deposits

- Total deposits of $1.96 billion at June 30, 2013
- Transaction and savings deposits grew $167 million in Q2 to equal 68% of total deposits, compared to 60% at the end of the first quarter
- Time deposits decreased $120 million in Q2



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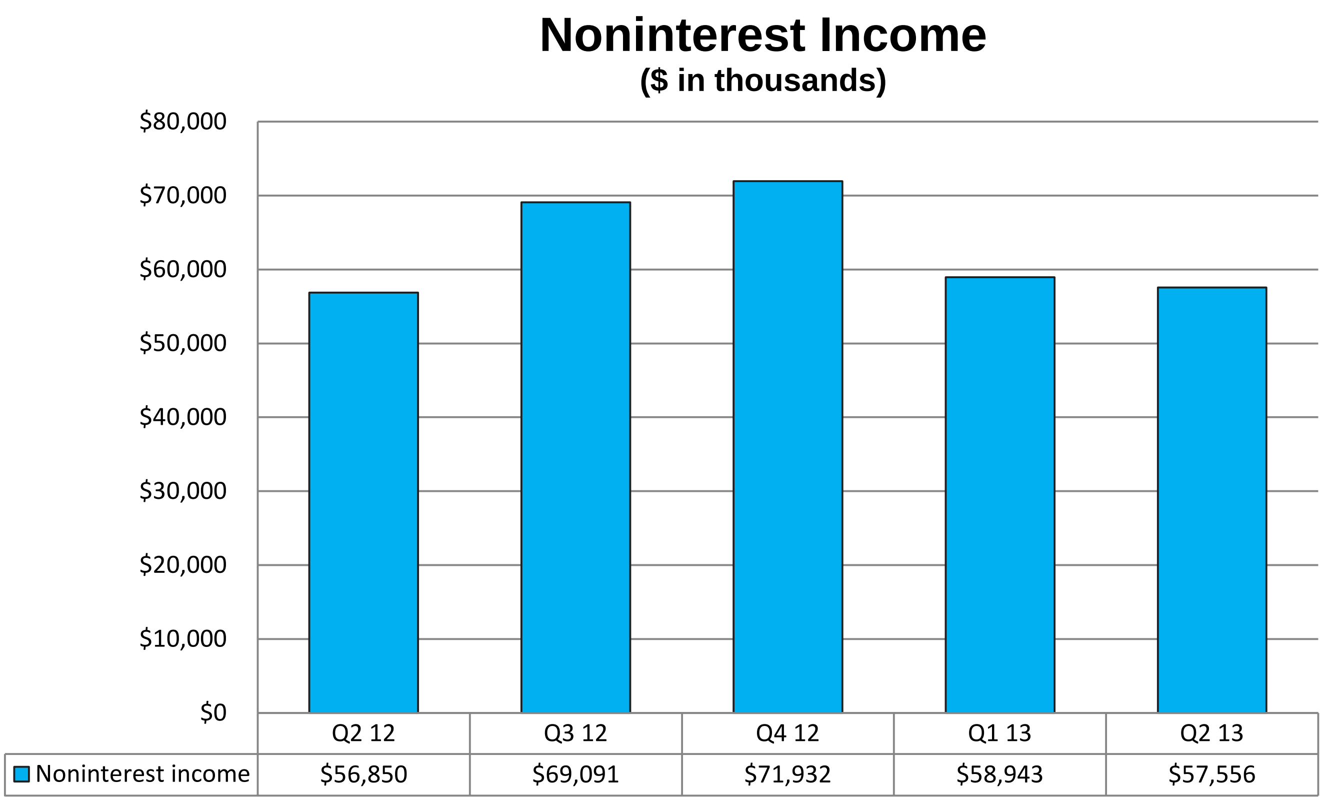
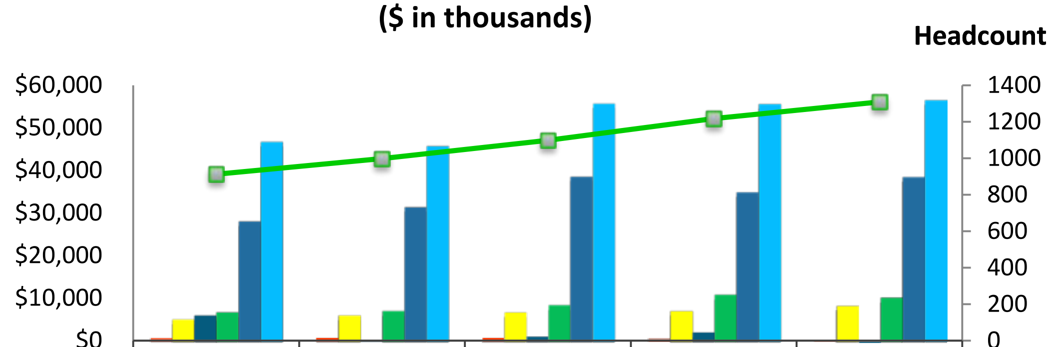
Noninterest Income

- Noninterest income decreased 2% to $57.6 million for Q2 compared to Q1 due to lower mortgage loan origination and sale revenue and lower mortgage servicing income



Noninterest Expense

Noninterest Expense
($ in thousands)

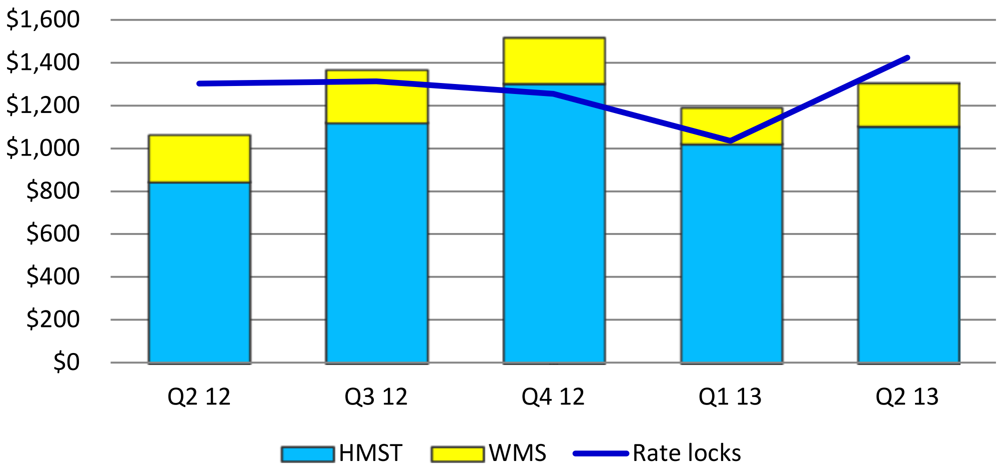


	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
FDIC assessments	$717	$794	$803	$567	$143
Legal, consulting, occupancy, IT	$5,132	$6,071	$6,780	$7,105	$8,317
OREO	$6,049	$348	$1,169	$2,135	($597)
General & administrative	$6,832	$7,148	$8,534	$10,930	$10,270
Salaries & related costs	$28,224	$31,573	$38,680	$35,062	$38,579
Total Expenses	$46,954	$45,934	$55,966	$55,799	$56,712
Headcount	913	998	1099	1,218	1,309
Efficiency ratio	65.53%	53.65%	63.22%	75.22%	75.65%

- Headcount increased by 7.5% in Q2
- Increased salaries and related costs due primarily to higher mortgage commissions and incentives resulting from increased mortgage closed loan production
- Lower OREO expenses due to significant reduction in properties and balances
- Noninterest expense will continue to vary based on headcount and mortgage origination volume

Mortgage Origination

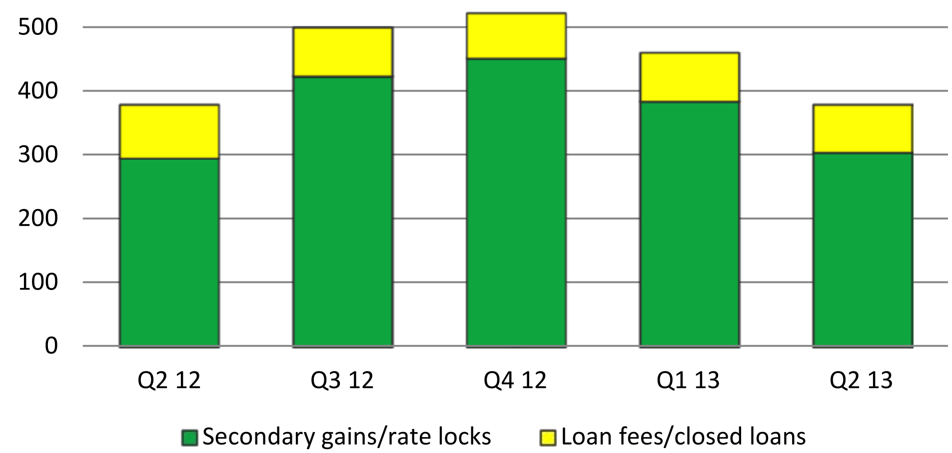
Single Family Closed Loan Production
($ in millions)



	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
HMST	$847	$1,123	$1,304	$1,024	$1,107
WMS	$222	$245	$215	$168	$200
Total closed loans	$1,069	$1,368	$1,519	$1,192	$1,307
Rate locks	$1,303	$1,313	$1,255	$1,036	$1,423

- Purchase volume increased significantly (includes Windermere Mortgage Services)
  - 59% of interest rate lock commitments, compared to 50% in the first quarter [1]
  - 59% of closed loan volume, up from 37% in the first quarter
  - Purchase mortgages made up 80% of rate lock commitments in July and 81% in August

Single Family Composite Margin
(bps)



	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Secondary gains/rate locks[1]	296	424	452[3]	385[4]	305
Loan fees/closed loans[2]	84	77	71	76	75
Composite Margin	380	501	523	461	380

(1) Servicing value and secondary marketing gains have been aggregated and are stated as a percentage of interest rate lock commitments. In previous quarters, the value of originated MSRs was presented as a separate component of the composite margin and stated as a percentage of mortgage loans sold. Prior periods have been revised to conform to the current presentation.

(2) Loan origination and funding fees stated as a percentage of mortgage originations from the retail channel and excludes loans purchased from WMS.

(3) 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.

(4) Excludes the impact of a $4.3 million upward adjustment related to a change in accounting estimate that resulted from a change in the application of the valuation technique used to value the Company's interest rate lock commitments. Including the impact of this cumulative effect adjustment, the secondary marketing gain margin and Composite Margin were 265 and 454 basis points, respectively, in the first quarter of 2013.

HomeStreet

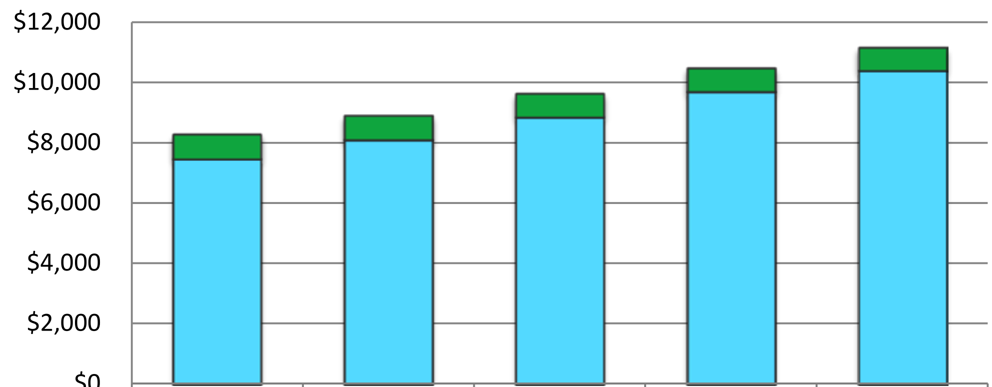
Mortgage Servicing

- HomeStreet retains servicing for the majority of Single Family residential and Fannie Mae DUS loans

Single Family

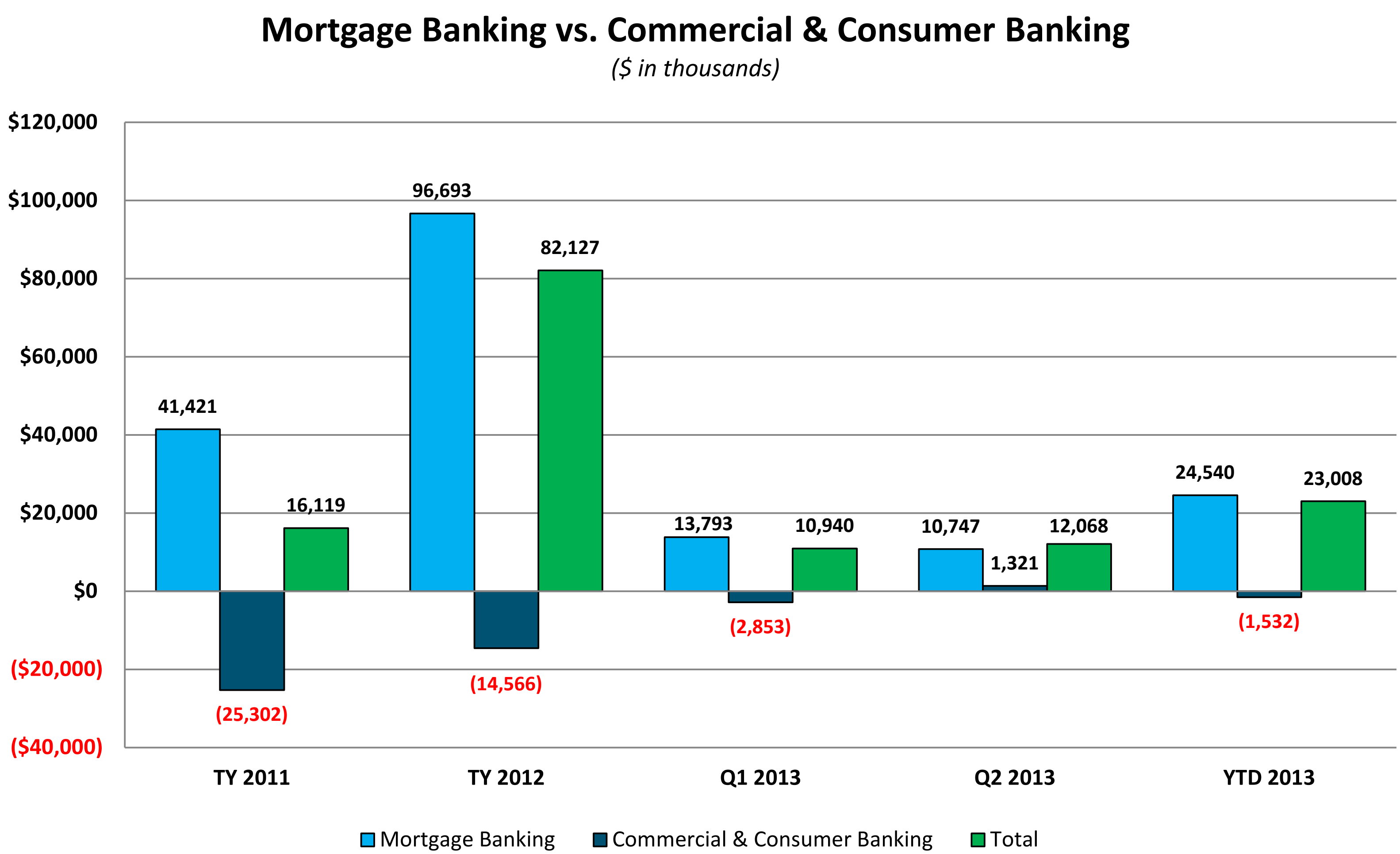
- Weighted average servicing fee of 30 bps
- MSRs represent 1.23% of ending UPB – 4.05 weighted average servicing fee multiple
- Weighted average age – 24.9 months
- Composition was 23% government in Q2 compared to 25% in the first quarter
- Total delinquency of 1.97% (including foreclosures) at 6/30/13
- Weighted average note rate of 4.14%

Mortgage Servicing Portfolio
($ in millions)



	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13
Commercial (Primarily DUS)	$829	$814	$780	$790	$771
SF Residential	$7,469	$8,110	$8,871	$9,701	$10,405
Total	$8,298	$8,924	$9,651	$10,491	$11,176

Segment Financial Results



- Steady improvement in financials results of Commercial & Consumer Banking lines of business, with segment net income of $1.3 million in Q2 (first profit since the recession)
- Prior period losses primarily attributed to recession-related credit costs

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Diversification of Earnings Strategy: Execution Update

- Key HomeStreet strategy throughout 2013 to diversify earnings by returning the Commercial & Consumer Banking Segment to profitability while Mortgage Banking continues to contribute income during a shift in market conditions
- Long term targeted ROE for Company of >15%

Key Segment Execution Objectives

Mortgage Banking Segment

- Increase production capacity and targeted expansion & recruiting
- Anticipate shift in market conditions
- Fixed/Semi/Variable cost management
- Long term targeted ROE of >20%

Commercial & Consumer Banking Segment

- Build loan portfolio
- Increase commercial lending capacity
- Diversify loan portfolio
- Expansion: In-market and new markets
- Long term targeted ROE range of 8-12%
  - C&I lending range of 8-12%
  - Commercial real estate (permanent) range of 10-15%
  - Commercial construction range of 10-15%
  - Residential construction range of 20-30%
  - Single family residential range of 10-15%

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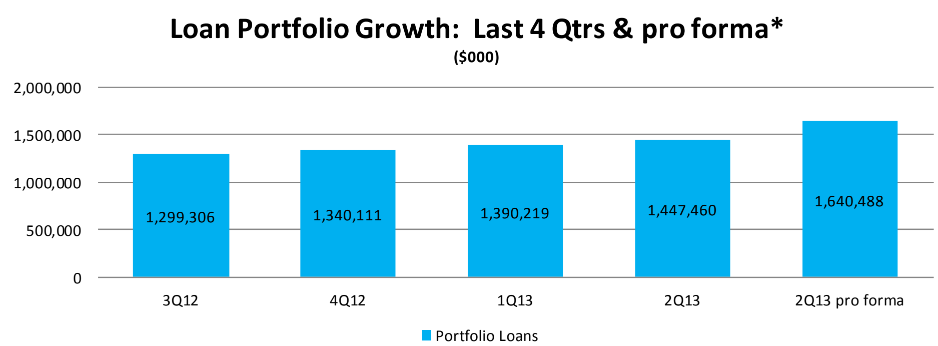
Diversification of Earnings Strategy: Execution Update

Commercial & Consumer Banking Segment

Build Loan Portfolio



* Pro forma includes balances from Yakima National Bank and Fortune Bank

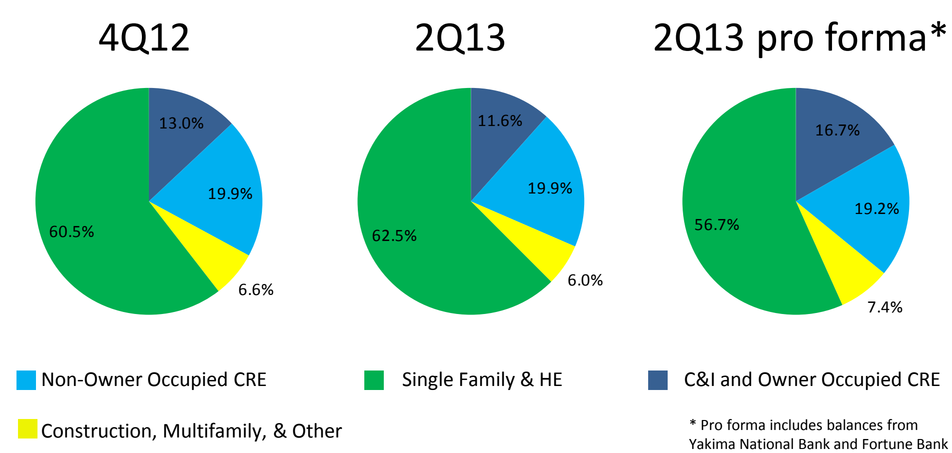
Increase Commercial Lending Capacity

- Acquiring seasoned commercial lending teams through acquisitions of Yakima National and Fortune Bank
- In 2012/2013, hired commercial lenders and support staff into existing HomeStreet lending groups
- Rebuilding portfolio after recession – focus on improving credit quality

Expansion: In Market / New Markets

- Opened three new retail deposit branches in Seattle Metro area
- Adding two retail branches in Seattle Metro area through AmericanWest branch acquisition
- Adding four branch locations in Central/Eastern Washington through Yakima National Bank acquisition

Diversify Loan Portfolio



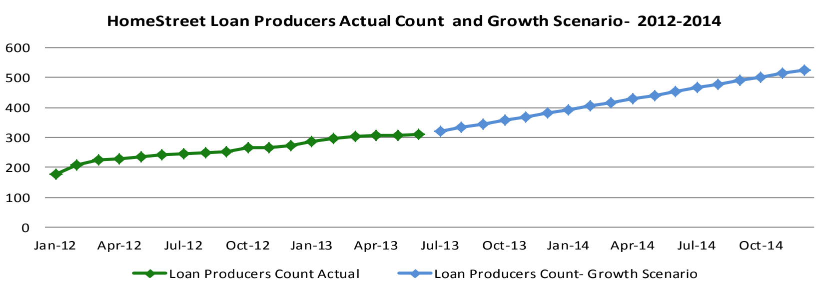
* Pro forma includes balances from Yakima National Bank and Fortune Bank

Diversification of Earnings Strategy: Execution Update

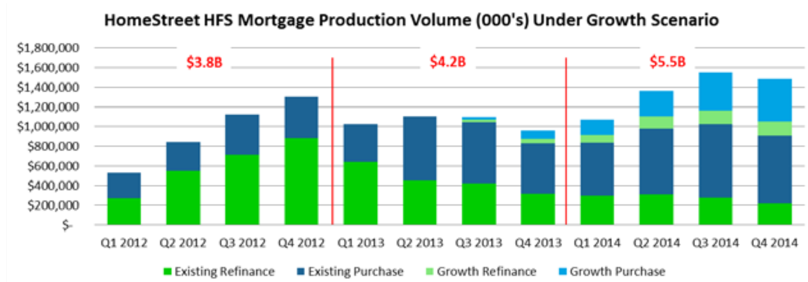
Mortgage Banking Segment

Increase Production Capacity and Targeted Expansion & Recruiting

- Loan officer hiring continues through 2014; increase in loan operations staff in advance to create sufficient capacity for increased volumes

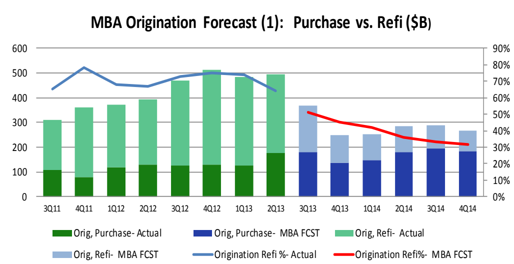


- 7 new home loan centers YTD, including Calif. as new market
- Plan for targeted hiring of top loan producers through change in market cycle



Anticipate Shift in Market Conditions

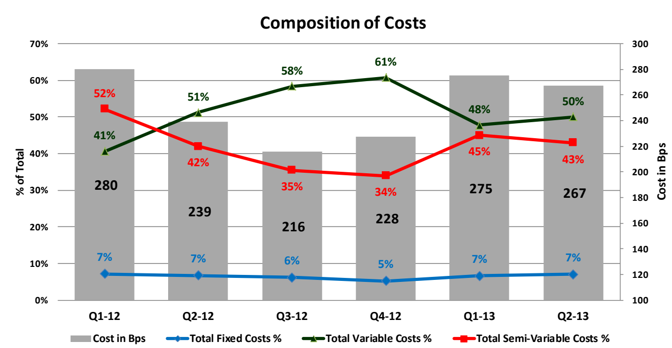
MBA forecasts sharp decrease in refinance market, and moderate growth in purchase market. HomeStreet has historically been focused on the purchase market, and has steadily increased purchase market share. Additionally, the Pacific Northwest market has typically experienced more seasonality that the national market, which is expected to continue.



Source: MBA Forecast Aug 22, 2013

Fixed / Semi / Variable Cost Management

Evaluation of expenses underway, including incentive compensation and operations efficiency opportunities.



HomeStreet

Why HomeStreet?

- Established and expanding franchise concentrated in the Pacific Northwest
- Leading regional Single Family mortgage lender and only Fannie Mae DUS® Multifamily lender headquartered in the Northwest
- Focus on growth of commercial and consumer banking to balance mortgage banking earnings
- Superior historical returns on equity due to high noninterest income
- Attractive valuation transition opportunity as company diversifies from mortgage banking-dominated income

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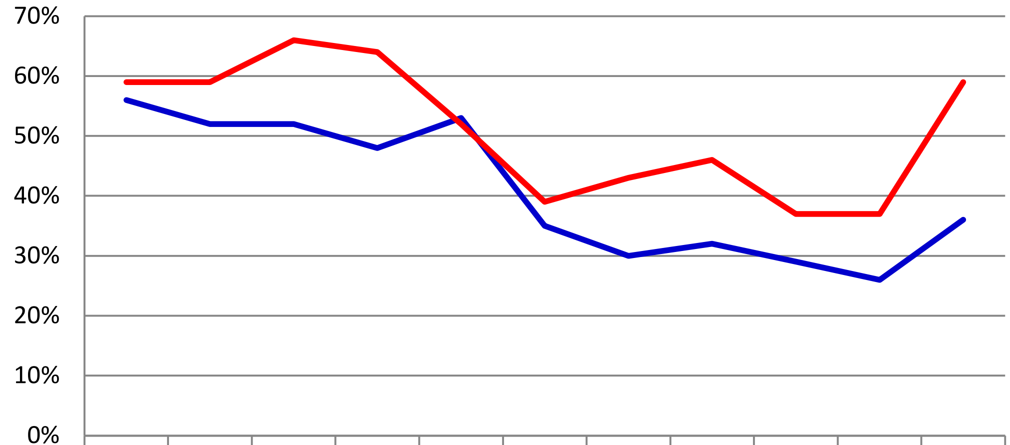
Appendix

Retail & Purchase Mortgage Focus

- Advantages of retail channel:
  - Since 2007, retail originators' market share has increased from 37% to 65% (1)
  - Better credit performance; lower compliance risk
  - No credit or pricing overlays necessary for brokers and correspondents
- HomeStreet has consistently produced higher volumes of purchase loans than the industry
- HomeStreet was the #1 lender by market share for purchase mortgages in the five-county Puget Sound region and #2 for the entire Pacific Northwest in the second quarter of 2013 (2)
- HomeStreet's market share should rise with declining refinance volume and strengthening housing markets

Purchase Composition (closed loans)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	Q1-2013	Q2-2013
Total U.S. Market (3)	56%	52%	52%	48%	53%	35%	30%	32%	29%	26%	36%
HomeStreet	59%	59%	66%	64%	52%	39%	43%	46%	37%	37%	59%

(1) Source: Inside Mortgage Finance
(2) Source: Marketrac
(3) Source: Mortgage Bankers Association

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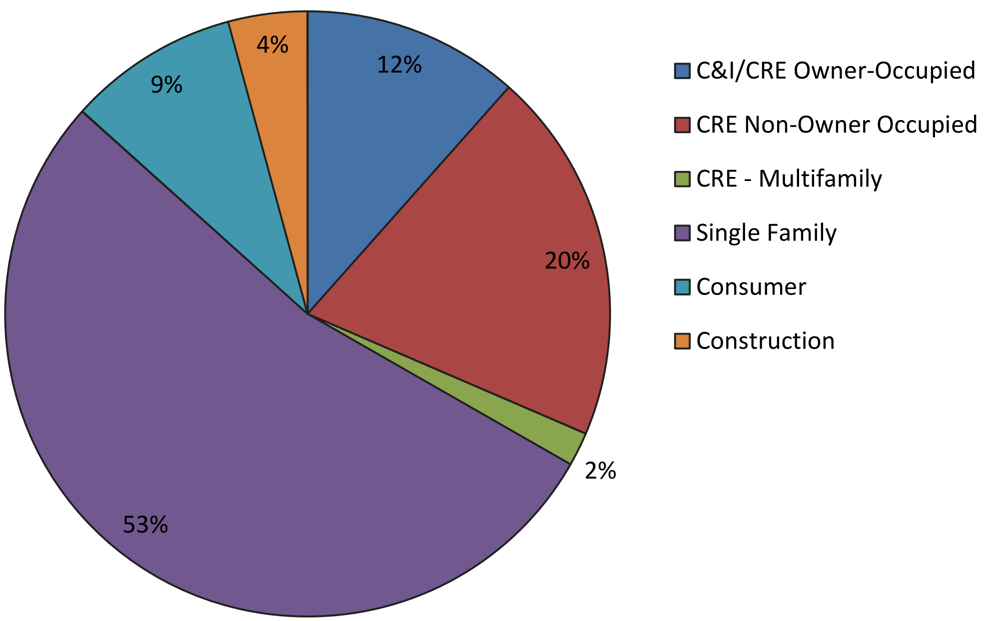
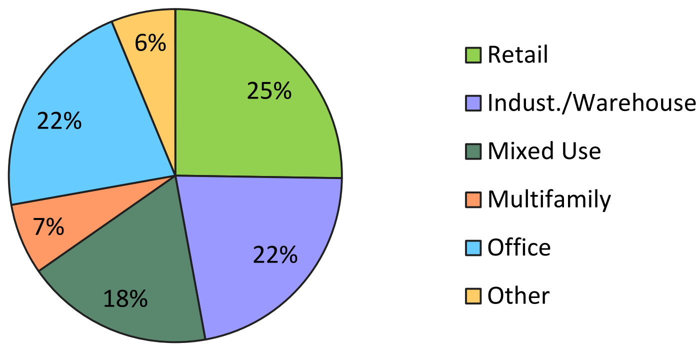
Loan Portfolio Characteristics

- Net growth of $58 million, with $211 million in new commitments for the quarter compared to $115 million in the first quarter

Loan Composition
$1.45 billion



CRE by Property Type
$ 408 million



C&I lending
- $10 million in commitments and originations in Q2
- $123 million pipeline at 6/30/13 (1)

Commercial real estate (permanent)
- $49 million in commitments and originations in Q2
- $67 million pipeline at 6/30/13 (1)

Commercial construction
- $38 million in commitments and originations in Q2
- $77 million pipeline at 6/30/13

Residential construction
- $32 million in commitments and originations in Q2
- $114 million pipeline at 6/30/13 (1)

(1) Not all loans under negotiation will close

Ongoing Improvement in Credit Quality

- Nonperforming assets were 1.50% of total assets compared to 2.14% in Q1 2013
- OREO decreased by $9.7 million or 45% due to sale of several commercial properties
- Classified assets were 2.69% of total assets compared to 3.59% of total assets in Q1 2013
- Delinquent loans totaled $88 million, including $53 million of loans insured or guaranteed by FHA or VA that were still accruing at quarter-end
- Q2 loan loss provision of $400,000 with net charge-offs of $1 million
- Peer group comprised of AF, WAFD, ISBC, BKU, SBCF, BANC, ESBF, UCFC, PGC, CZNC, PROV, FFNW, SMPL, TSH [1]

Metric *($ in 000s)*	**12/31/2012**		**3/31/2013**		**6/30/2013**	
	HMST	**Peer Avg**	**HMST**	**Peer Avg**	**HMST**	**Peer Avg**
Classified Assets	$86,270	$98,161	$90,076	$89,746	$74,721	$89,026
Nonperforming Assets	$53,833	$122,843	$53,797	$129,874	$41,650	$122,351
Classified assets/total assets	3.28%	1.99%	3.59%	1.80%	2.69%	1.76%
Nonperforming assets/total assets	2.05%	2.49%	2.14%	2.61%	1.50%	2.42%
Delinquencies [2]	6.58%	3.41%	6.66%	3.27%	6.06%	2.88%
Delinquencies adjusted [3]	2.93%	--	2.94%	--	2.52%	--
ALL/total loans	2.06%	1.33%	2.05%	1.34%	1.92%	1.27%
ALL/NPLs	92.20%	70.79%	88.40%	69.78%	93.11%	72.92%

(1) Source: SNL
(2) Total delinquencies/total loans
(3) Total delinquencies/total loans (both net of Ginnie Mae EBO)

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 Federal Bank of Los Angeles
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
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

Management Team (cont.)

Executive	Joined Company	Years in Industry	Relevant Experience
Rose Marie David *Executive Vice President, Single Family Lending Director*	March 2012	28	• Responsible for all aspects of mortgage banking originations, operations and servicing • Previously with MetLife Home Loans
Richard W. H. Bennion *Executive Vice President, Residential Lending Director*	June 1977	36	• Responsible for residential construction lending production • Chairman of the board of Windermere Mortgage Services (WMS) • Member of Fannie Mae Western Business Center Advisory Board
Randy Daniels *Executive Vice President, Income Property Lending Director*	September 2012	26	• Oversees commercial real estate lending activities through 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 – June 30, 2013

	Well-Capitalized Minimum		HomeStreet Bank		HomeStreet, Inc.	
	Under Current Rules	Pro Forma Basel III	Under Current Rules	Pro Forma Basel III (fully implemented)	Under Current Rules	Pro Forma Basel III (fully implemented)
Tier 1 Leverage	5.0%	5.0% (1)	11.9%	8.7%	12.6%	8.9%
Tier 1 Risk-Based Capital	6.0%	8.5% (2)	17.9%	12.8%	14.9%	10.3%
Total Risk-Based Capital	10.0%	10.5% (2)	19.1%	14.0%	16.2%	14.3%

(1) Capital Conservation Buffer does not apply to Tier 1 Leverage Ratio under Basel III

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

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