[HomeStreet]

FIRST QUARTER 2016

NASDAQ:HMST

Important Disclosures

Forward-Looking Statements

This presentation includes forward-looking statements, as that term is defined for purposes of applicable securities laws, about our industry, our future financial performance and business plans and expectations. These statements are, in essence, attempts to anticipate or forecast future events, and thus 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. Forward-looking statements in this release include, among other matters, statements regarding our business plans and strategies (including our expansion strategies) and the expected effects of those initiatives, general economic trends, particularly those that affect mortgage origination and refinance activity, and growth scenarios and performance targets. Readers should note, however, that all statements in this presentation other than assertions of historical fact are forward-looking in nature. These statements are subject to risks, uncertainties, assumptions and other important factors set forth in our SEC filings, including but not limited to our Annual Report on Form 10-K for year ended December 31, 2015, and our quarterly report on Form 10-Q for the quarter ended March 31, 2016, which we expect to file on or before May 10, 2016. 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 realize the expected value of our mergers with Simplicity Bancorp and Orange County Business Bank and the combined entity resulting from those transactions; integrate our recent acquisitions; continue to expand our banking operations geographically and across market sectors; grow our franchise and capitalize on market opportunities; manage our growth efforts cost-effectively and attain the desired operational and financial outcomes; manage the losses inherent in our loan portfolio; make accurate estimates of the value of our non-cash assets and liabilities; maintain electronic and physical security of customer data; respond to an increasingly restrictive and complex regulatory environment; and 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

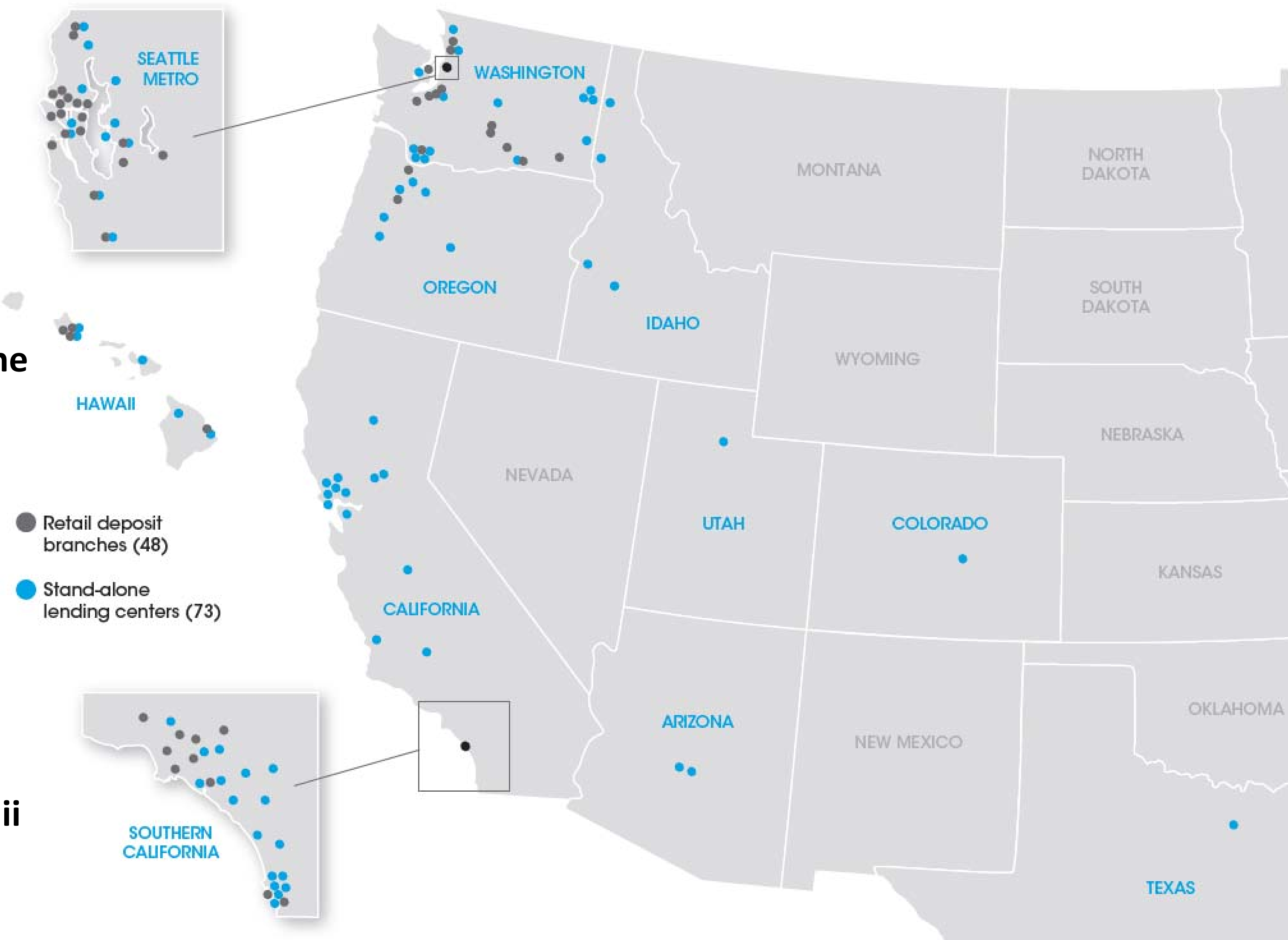
Unless noted otherwise in this presentation, all reported financial data is being presented as of the period ending March 31, 2016, and is unaudited, although certain information related to the year ended December 31, 2015, has been derived from our audited financial statements. All financial data should be read in conjunction with the notes in our consolidated financial statements.

Non-GAAP Financial Measures

Information on any non-GAAP financial measures such as core measures or tangible measures referenced in this presentation, including a reconciliation of those measures to GAAP measures, may also be found in the appendix, our SEC filings, and in the earnings release available on our web site.

Growing Western U.S. Franchise

- **Seattle-based diversified commercial bank - company founded in 1921**
- **Growing commercial & consumer bank with concentrations in major metropolitan areas of the Western United States**
- **Leading Northwest mortgage lender**
- **121 retail deposit branches and lending centers in the Western United States and Hawaii**
- **Total assets of $5.4 billion**



HomeStreet

Strategy

To grow and diversify earnings by expanding our Commercial & Consumer Banking business and continue to build Mortgage Banking market share in new and existing markets

Expand Commercial & Consumer Banking	• **Organic growth opportunities** – Commercial Lending, Multifamily, Commercial Real Estate and Construction – Increase density of commercial and retail deposits via existing market penetration and de-novo branch expansion • **Growth via acquisition of branches and smaller institutions in-market and in new markets**
Build Single Family Mortgage origination market share	• **Continue opportunistic expansion (market share and footprint) of Single Family mortgage banking activities** • **Reliable source of capital to grow commercial and consumer banking segment** • **Target major markets in Western United States**
Ongoing expense management	• **Grow earning assets while containing operating expenses to improve operating efficiencies** • **Attain targeted operating efficiency ratios by segment**
Optimize use of capital	• **Target long-term 15%+ ROTE, subject to achievement of targeted segment contributions**

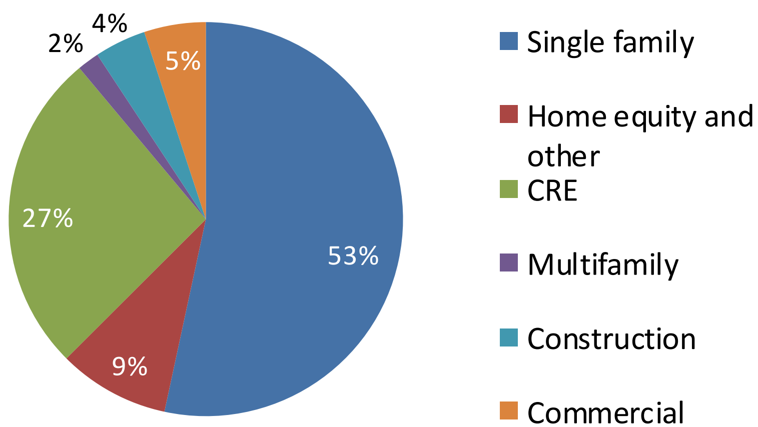
HomeStreet

Successful Diversification

Strategy of growing our Commercial and Consumer Banking segment driving strong growth and diversification of our loan portfolio and earnings

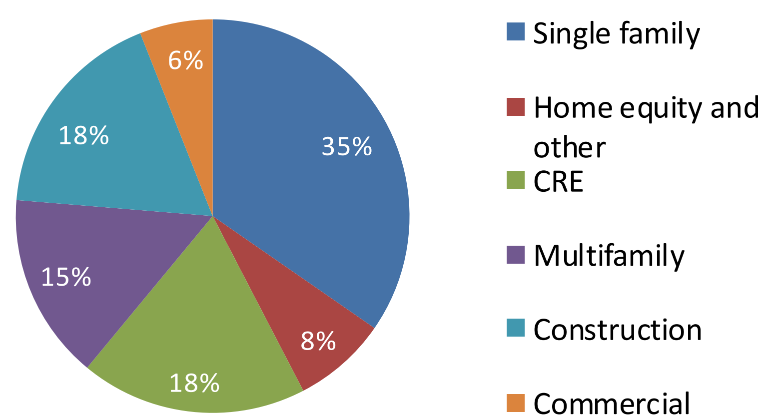
2Q13

Total Assets - $2.8 billion
Loan Portfolio - $1.4 Billion



1Q16

Total Assets - $5.4 Billion**
Loan Portfolio - $3.6 Billion



	2Q13		1Q16
12 Month Core Net Income*	$ 66,496	**12 Month Core Net Income**	$ 42,561
Commercial Banking %	-12%	Commercial Banking %	58%
Mortgage Banking %	112%	Mortgage Banking %	42%
12 Month Revenue	$323,283	**12 Month Revenue**	$431,366
Net interest Income %	20%	Net interest Income %	36%
Non-interest Income %	80%	Non-interest Income %	64%

[HomeStreet]

June 2013 quarter represented the beginning of our acquisition strategy post IPO
* 2012 was the peak of the post-recession refinance wave
** 47% of total asset growth has been through acquisitions

Acquisition Strategy

We seek to grow and diversify our business and earnings by opportunistically expanding through acquisitions in attractive markets and then adding our full range of products and services

Disciplined Acquisition Objectives

- **Internal rate of return in excess of 15%**
- **EPS accretive**
- **Low-to-mid teens return on invested capital**
- **Less than 10% initial tangible book value per share dilution**
- **Less than 4 years tangible book value per share dilution earnback**

Acquisition History

Target	State	Date: Announce	Date: Completion	Total Assets ($M)	Deal Value ($M)	Price/ TBV (%)
Orange County Business Bank	CA	9/28/2015	2/1/2016	$ 200	$ 56	117
Simplicity Bancorp, Inc.	CA	9/29/2014	3/1/2015	879	133	99
Fortune Bank	WA	7/26/2013	11/1/2013	142	27	142
YNB Financial Services Corp.	WA	7/26/2013	11/1/2013	125	10	140
			Total	$ 1,221	$ 226	110 *

Post Acquisition Scaling (CA Example)

- **HomeStreet Commercial Real Estate – Southern California**
  - Originate permanent loans up to $10 million in principal, a portion of which we intend to sell
- **SBA Lending group**
- **De-Novo Branch expansion associated with Kaiser Permanente affinity relationship**
  - Kearney Mesa & Mission Gorge in San Diego, CA

* Deal value weighted average price / TBV

HomeStreet

Recent Developments

Results of Operations

- First quarter net income of $6.4 million or $0.27 diluted EPS
- Excluding after tax merger-related items, core net income of $9.8 million or $0.41 diluted EPS
- Total Assets increased to $5.4B from $4.9B at December 2015
- Continued strong credit performance including reduction in nonperforming assets

Strategic Growth Activity in 1Q16

- Closed the acquisition of Orange County Business Bank on February 1, 2016.
- Opened three deposit branches in California and Hawaii, a single family loan center in Arizona, a commercial lending center in Washington, and a commercial real estate lending center in Texas
- The holding company was assigned a BBB- rating by the Kroll Bond Rating Agency for senior unsecured debt
- Converted the charter for HomeStreet Bank to a Washington state-chartered commercial bank and converted HomeStreet, Inc., to bank holding company

Recent Developments since 1Q16

- Executed a $20 million unsecured line of credit for the holding company
- Combined the commercial real estate lending group and HomeStreet Commercial Capital under the name HomeStreet Commercial Real Estate under the leadership of Bill Endresen

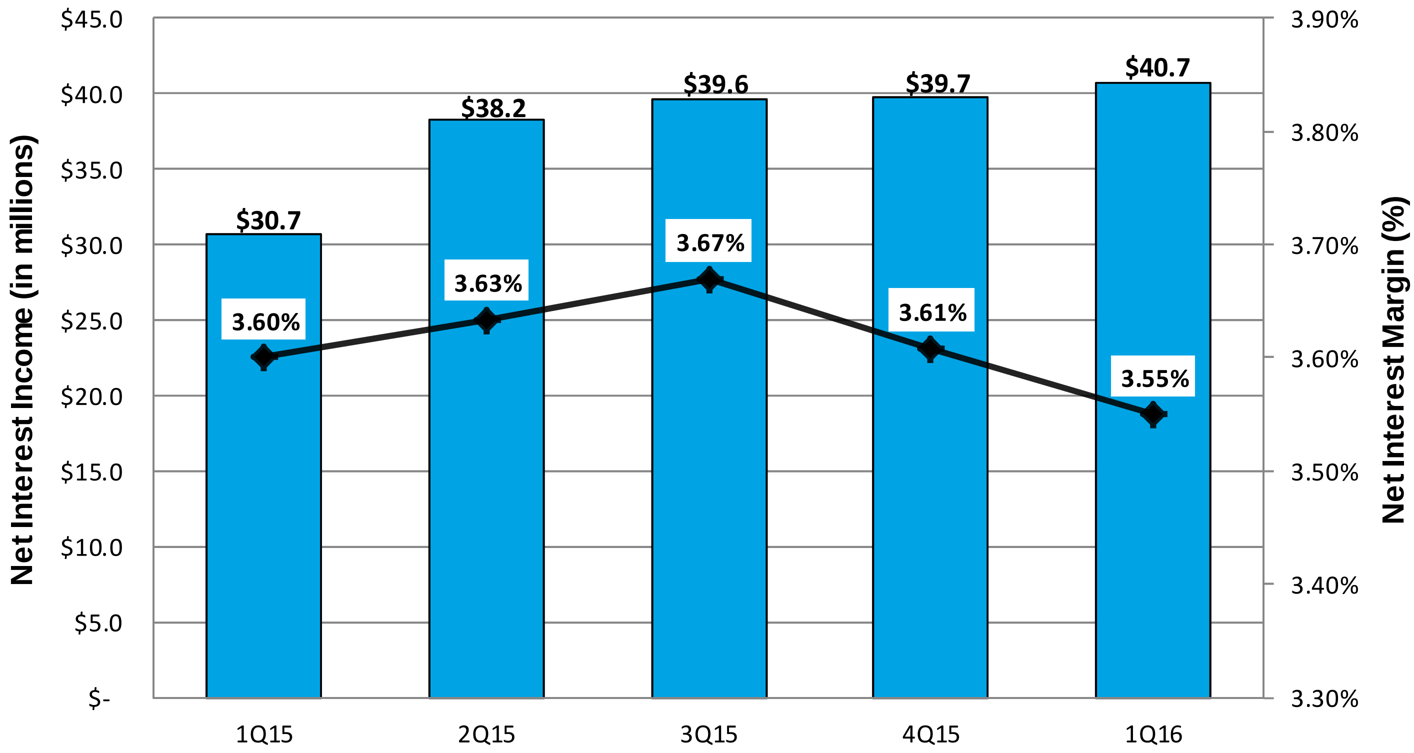
Results of Operations – Quarter Trend

	For the three months ended				
($ in thousands)	Mar. 31, 2016 [(1)]	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015 [(2)]
Net interest income	$ 40,691	$ 39,740	$ 39,634	$ 38,230	$ 30,734
Provision for loan losses	1,400	1,900	700	500	3,000
Noninterest income	71,708	65,409	67,468	72,987	75,373
Noninterest expense	101,353	92,725	92,026	92,335	89,482
Net income before taxes	9,646	10,524	14,376	18,382	13,625
Income taxes	3,239	1,846	4,415	6,006	3,321
Net income	$ 6,407	$ 8,678	$ 9,961	$ 12,376	$ 10,304
Diluted EPS	$ 0.27	$ 0.39	$ 0.45	$ 0.56	$ 0.59
Core net income [(3)]	$ 9,785	$ 8,787	$ 9,449	$ 14,541	$ 11,560
Core EPS [(3)]	$ 0.41	$ 0.39	$ 0.42	$ 0.65	$ 0.67
Tangible BV/share [(4)]	$ 20.37	$ 20.16	$ 19.95	$ 19.35	$ 18.97
Core ROAA [(3)]	0.78%	0.72%	0.78%	1.25%	1.21%
Core ROAE [(3)]	7.66%	7.47%	8.21%	12.76%	12.50%
Core ROATE [(3)]	8.08%	7.80%	8.59%	13.38%	13.09%
Net Interest Margin	3.55%	3.61%	3.67%	3.63%	3.60%
Core efficiency ratio [(3)]	85.5%	87.8%	86.2%	80.1%	77.7%
Tier 1 Leverage Ratio (Bank)	10.17%	9.45%	9.69%	9.46%	11.47% / 9.95% [(5)]
Total Risk-Based Capital (Bank)	13.93%	13.91%	14.15%	13.97%	14.57%

(1) Includes two months of OCBB's results of operations.
(2) Includes one month of Simplicity's results of operations.
(3) Excludes pre-tax acquisition-related expenses and bargain purchase gain. See appendix for reconciliation of non-GAAP financial measures.
(4) See appendix for reconciliation of non-GAAP financial measures.
(5) Quarterly average assets used to calculate Tier 1 Leverage ratio normalized for Simplicity Bank merger effective 3/1/15

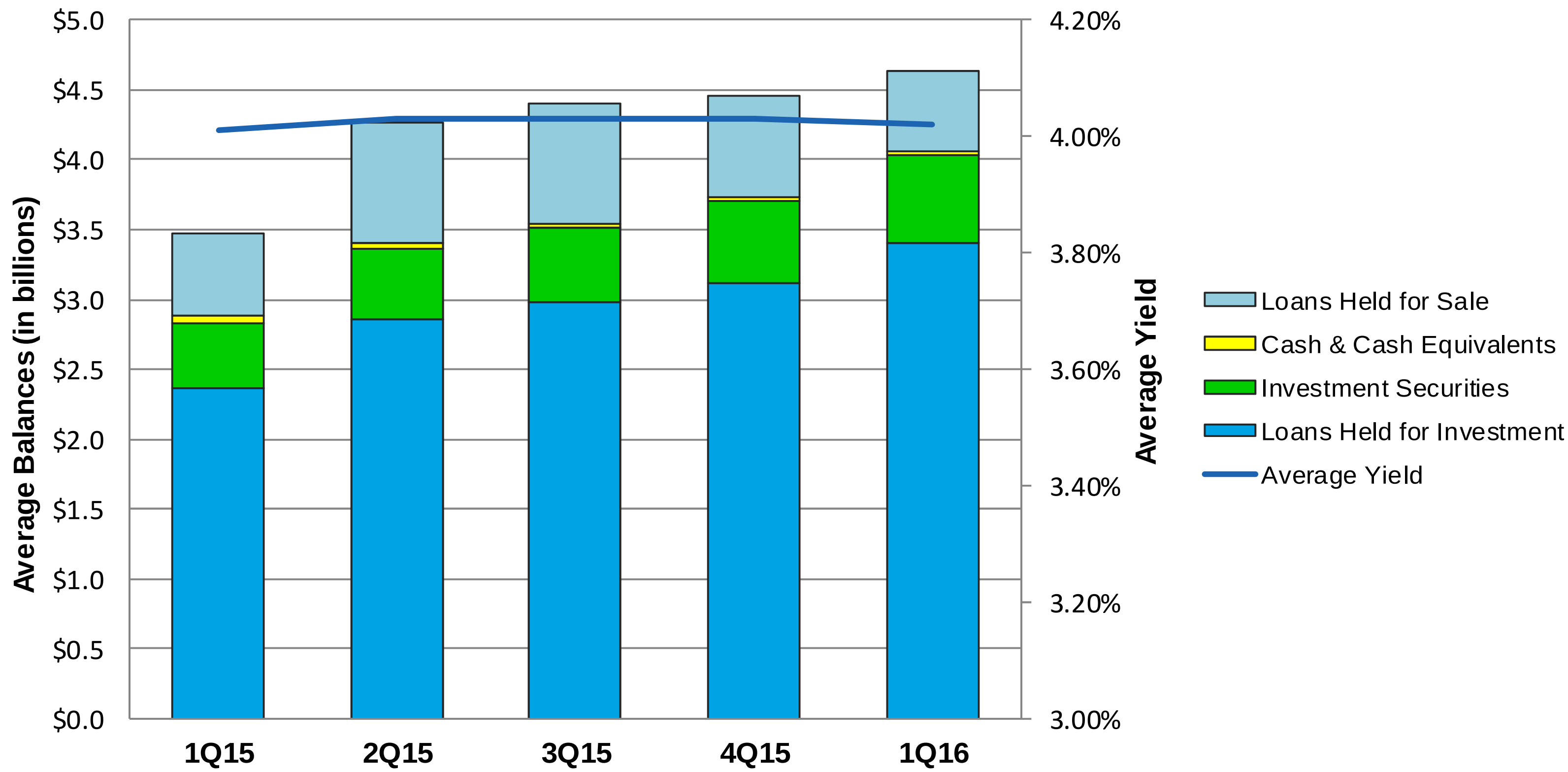
[HomeStreet]

Net Interest Income & Margin



- 1Q NIM declined 6 bps while net interest income increased $1 million
  - NIM decline primarily due to the change of the impact or purchase discounts and premiums from acquired loans and deposits, and higher cost of interest-bearing funds
  - Higher net interest income was due to growth in average interest-earning assets during the quarter

Interest-Earning Assets



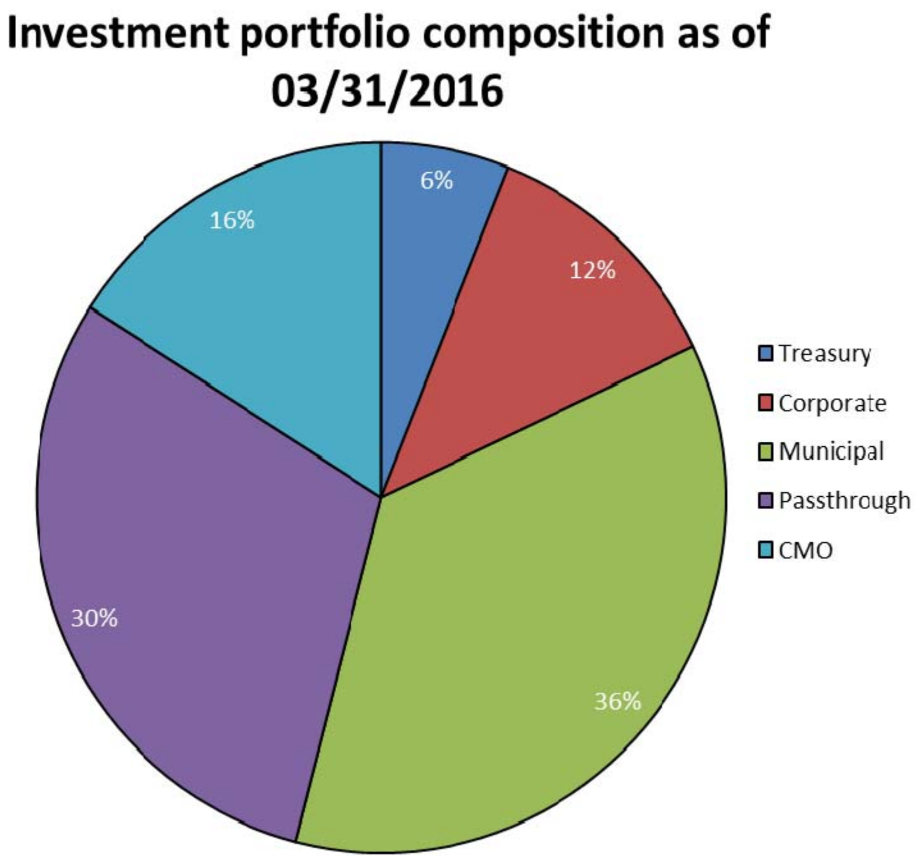
Avg. Yield	4.01%	4.03%	4.03%	4.03%	4.02%

- Average total interest-earning assets increased $177 million or 4% in 1Q primarily from $279 million increase in average loans held for investment, which was due to organic growth and to the closing of the OCBB acquisition
- Loans held for investment, net, ending balances increased $331 million or 10% in 1Q, with $126 million of the growth added from OCBB
  - New commitments of $469 million in mortgage, commercial lending, commercial real estate and residential construction

HomeStreet

HomeStreet Investment Securities Portfolio Yield

As of 03/31/2016	2016 YTD Total Return (1)	Yield (2)	Duration (2)
HomeStreet Investment Portfolio	2.21%	2.64%	3.98
Composition Adjusted Barclays US Aggregate Index (3)	1.64%	2.30%	3.86

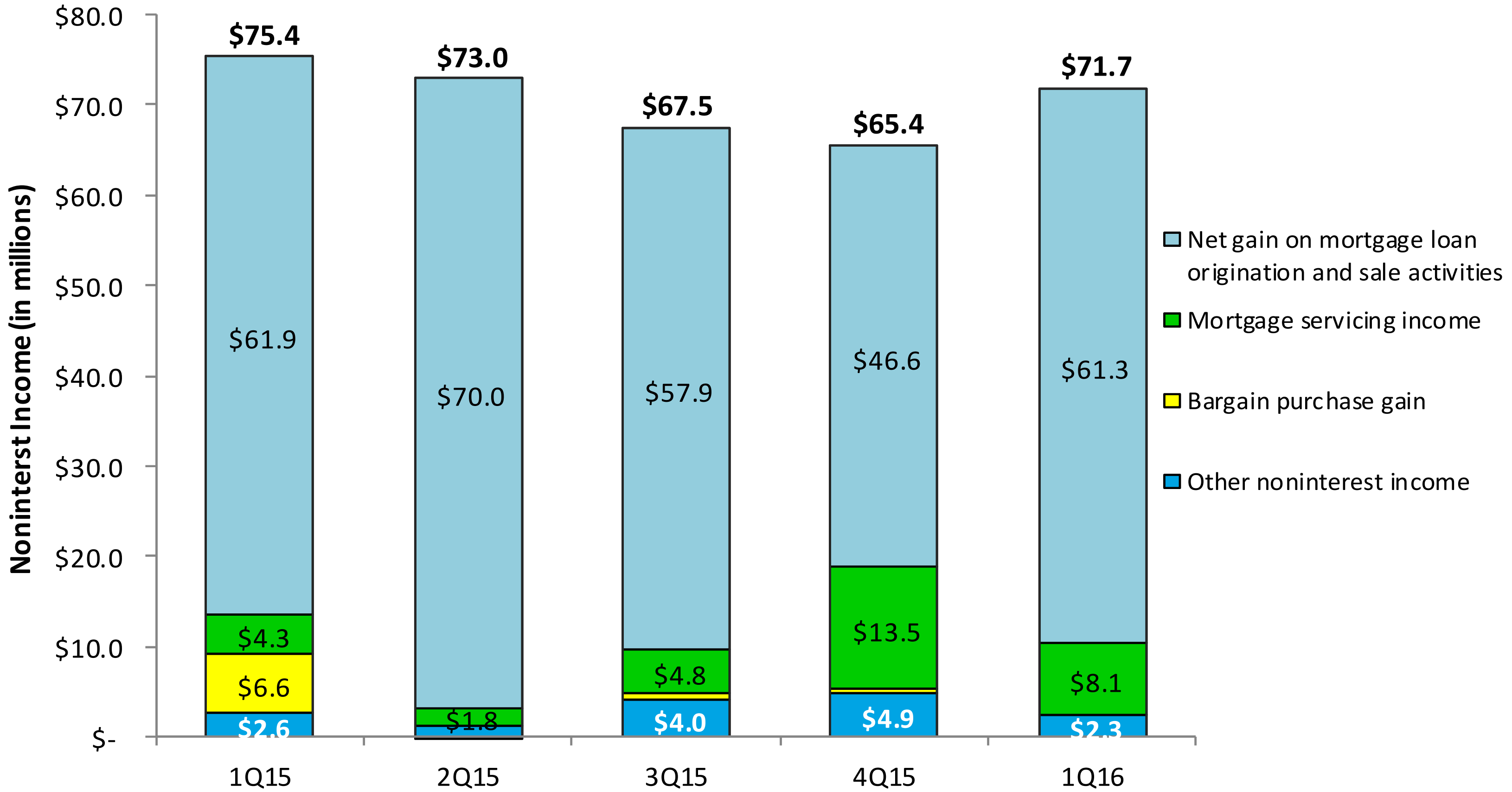


- Investment Security Portfolio size is $687m
- The Investment Portfolio has an average credit rating of Aa1

HMST performance data: BondEdge
(1) As of March 31, 2016
(2) Yield and duration Include FTE adjustment
(3) Barclays US Aggregate Index Adjusted to reflect HMST portfolio composition

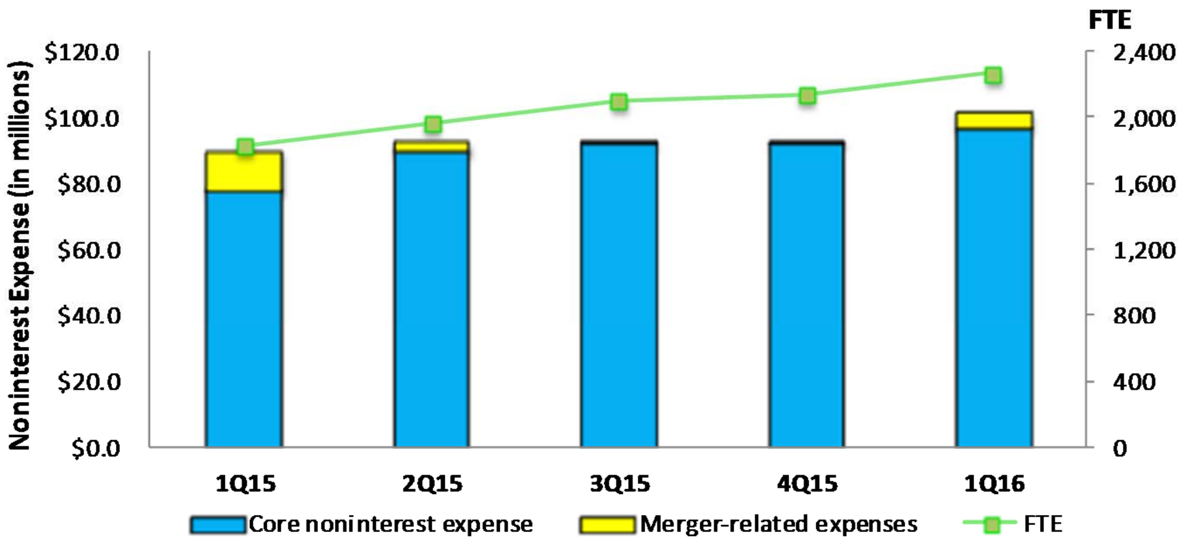
HomeStreet

Noninterest Income



- Noninterest income increased 10% to $71.7 million in 1Q compared to 4Q15, mostly from higher net gain on mortgage loan origination and sale activities, partially offset by lower mortgage servicing income
- Net gain on mortgage loan origination and sale activities increased $14.6 million primarily due to 35% higher single family rate lock and forward sale commitments volume
- Mortgage servicing income declined $5.4 million due primarily to lower risk management results during Q1 compared to the prior quarter partially offset by higher net servicing fees collected

Noninterest Expense



	1Q15	2Q15	3Q15	4Q15	1Q16
Total noninterest expense	**$89.5**	**$92.3**	**$92.0**	**$92.7**	**$101.4**
Merger-related expenses	$12.2	$3.2	$0.4	$0.8	$5.2
Core noninterest expense [1]	**$77.3**	**$89.1**	**$91.6**	**$92.0**	**$96.2**
Salaries & related costs [1]	$51.7	$59.9	$61.0	$60.3	$63.8
General & administrative [1]	$12.4	$14.0	$14.9	$16.0	$15.7
Occupancy [1]	$5.7	$5.9	$6.1	$6.9	$7.1
Information services [1]	$6.1	$7.8	$7.6	$7.0	$7.1
Other noninterest expense	$1.5	$1.5	$2.0	$1.7	$2.4
FTE	**1,829**	**1,964**	**2,100**	**2,139**	**2,264**
Core efficiency ratio [1]	77.7%	80.1%	86.2%	87.8%	85.5%

- Full-time equivalent employees increased by 6% in 1Q
- Excluding merger-related expenses, salaries and related costs also increased by 6% in 1Q
- Core efficiency ratio improved from the prior quarter due to higher Mortgage Banking segment revenue.
- Noninterest expense will continue to vary primarily based on headcount and mortgage origination volume

[1] Excludes merger-related expenses. See appendix for reconciliation of non-GAAP financial measures.

Segment Overview

Mortgage Banking	Commercial & Consumer Banking
Overview	
• Regional Single Family mortgage origination platform • 100% direct retail origination • Majority of production sold into secondary market • Fannie Mae, Freddie Mac, FHA, VA lender since programs' inception • Portfolio products: jumbo, HELOC and custom home construction • Servicing retained on majority of originated loans sold to secondary markets	• Commercial Banking – Commercial lending, including SBA – All CRE property types with multifamily focus – Residential construction – Commercial deposit, treasury and cash management services • Consumer Banking – Consumer loan and deposit products – Consumer investment, insurance and private banking products and services
Strategic Objectives	
• Build Western U.S. major market retail franchise • Dynamic personnel management in relation to changes in market conditions • Fixed/Semi/Variable cost management • Long-term efficiency ratio target of <80% • Long-term targeted ROE of >25%	• Expand market/grow market share in current and new markets – Follow mortgage expansion • Diversify and grow loan portfolio 4-6% or more per quarter [1] • Manage non-interest expense increase to approximately 3% per quarter • Manage credit risk by monitoring portfolio and geographic early warning indicators • Long-term efficiency ratio target of <65% • Long-term targeted ROE range of 8-12% – Commercial lending – 8-12% – Commercial real estate – 10-15% – Residential construction – 20-30% – Single Family residential – 10-15%

[1] Actual growth of loan portfolio is subject to, among other things, actual loan production volumes, portfolio runoff, portfolio loan sales, portfolio credit performance and net interest margin. Other portfolio management considerations include liquidity management, capital requirements and profitability.

Commercial & Consumer Banking

Commercial & Consumer Banking Segment – Quarter Trend

($ in thousands)	Mar. 31, 2016 [1]	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015 [2]
	For the three months ended				
Net interest income	$ 35,645	$ 32,759	$ 31,509	$ 30,645	$ 25,107
Provision for loan losses	1,400	1,900	700	500	3,000
Noninterest income	4,643	8,778	6,884	3,624	10,081
Noninterest expense	36,629	29,542	28,110	29,280	35,666
Net income (loss) before taxes	2,259	10,095	9,583	4,489	(3,478)
Income taxes	717	1,718	2,783	1,635	(3,464)
Net income (loss)	$ 1,542	$ 8,377	$ 6,800	$ 2,854	$ (14)
Core net income [3]	$ 4,920	$ 8,486	$ 6,288	$ 5,019	$ 1,242
Core ROAA [3]	0.46%	0.85%	0.66%	0.56%	0.16%
Core ROAE [3]	4.71%	9.11%	7.39%	6.47%	2.02%
Core ROATE [3]	5.03%	9.64%	7.87%	6.94%	2.16%
Core efficiency ratio [3]	78.0%	69.9%	73.6%	75.9%	82.3%
Net Interest Margin	3.54%	3.51%	3.62%	3.64%	3.60%
Total average earning assets	$4,039,023	$3,708,342	$3,514,496	$3,385,008	$2,840,601
FTE	903	828	807	757	768

- Core net income declined linked quarter primarily due to lower noninterest income resulting from lower gain on sale of loans (-$1.3 million) and investment securities (-$1.4 million), as well as higher noninterest expense resulting from expansion of segment activities
- Net interest income increased 9% from 4Q as a result of 9% growth in average earning assets

[1] Includes two months of OCBB's results of operations.
[2] Includes one month of Simplicity's results of operations.
[3] Excludes pre-tax acquisition-related expenses and bargain purchase gain. See appendix for reconciliation of non-GAAP financial measures.

Loan Production/Loan Balance Trend

Commitments

($ in thousands)	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Single Family	$74,048	$99,621	$62,702	$52,819	$50,093
Single Family Custom Home Construction	$47,519	$73,978	$41,944	$39,788	$31,666
Home Equity and other	$55,269	$54,047	$37,716	$32,691	$14,675
Total Consumer Loans	$176,836	$227,646	$142,362	$125,298	$96,434
Commercial Real Estate/Multifamily	$146,563	$136,370	$99,487	$53,221	$14,562
Residential Construction	$105,847	$114,531	$114,425	$95,468	$56,735
Commercial Real Estate/Multifamily Construction	$27,420	$77,815	$33,605	$27,900	$37,713
Commercial Business	$12,582	$18,572	$26,697	$11,243	$16,063
Total Commercial Loans	$292,412	$347,288	$274,214	$187,832	$125,073
Total	$469,248	$574,934	$416,576	$313,130	$221,507

Balances

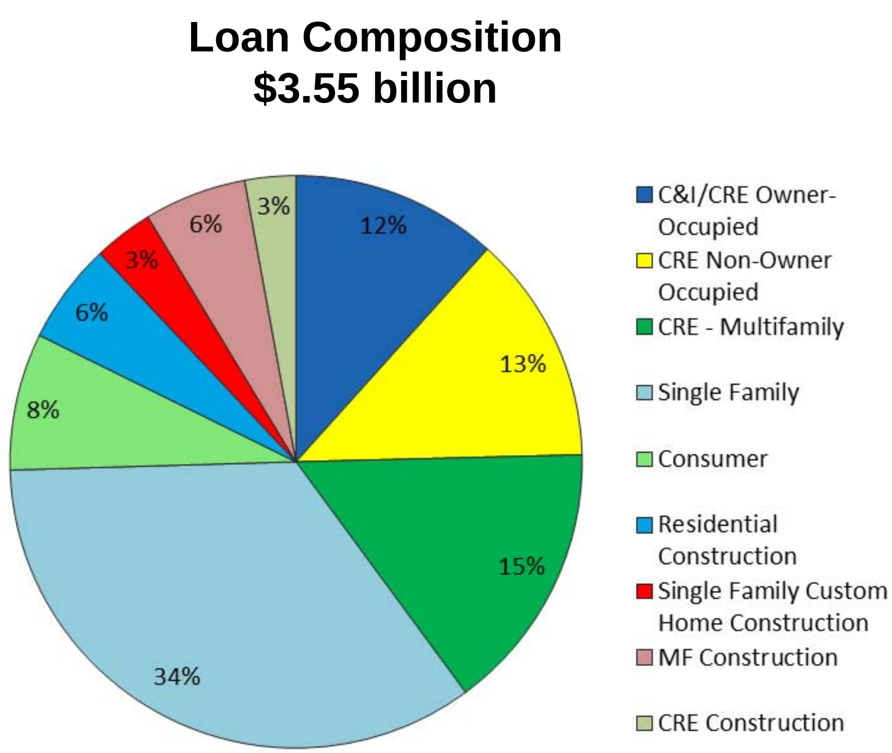
($ in thousands)	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Single Family	$1,231,707	$1,203,180	$1,171,967	$1,182,542	$1,198,605
Single Family Custom Home Construction	$119,363	$108,228	$81,554	$75,665	$66,422
Home Equity and other	$275,405	$256,373	$237,491	$216,635	$205,200
Total Consumer Loans	$1,626,475	$1,567,781	$1,491,012	$1,474,842	$1,470,227
Commercial Real Estate	$661,932	$600,703	$563,241	$547,571	$535,546
Multifamily	$543,887	$426,557	$382,392	$366,187	$352,193
Residential Construction	$202,427	$177,335	$153,212	$130,586	$122,311
Commercial Real Estate/Multifamily Construction	$308,030	$297,597	$295,105	$248,566	$213,660
Commercial Business	$213,084	$154,262	$158,135	$166,216	$164,259
Total Commercial Loans	$1,929,360	$1,656,454	$1,552,085	$1,459,126	$1,387,969
Total Loans Held for Investment (before Deferred Fees and Allowance)	$3,555,835	$3,224,235	$3,043,097	$2,933,968	$2,858,196

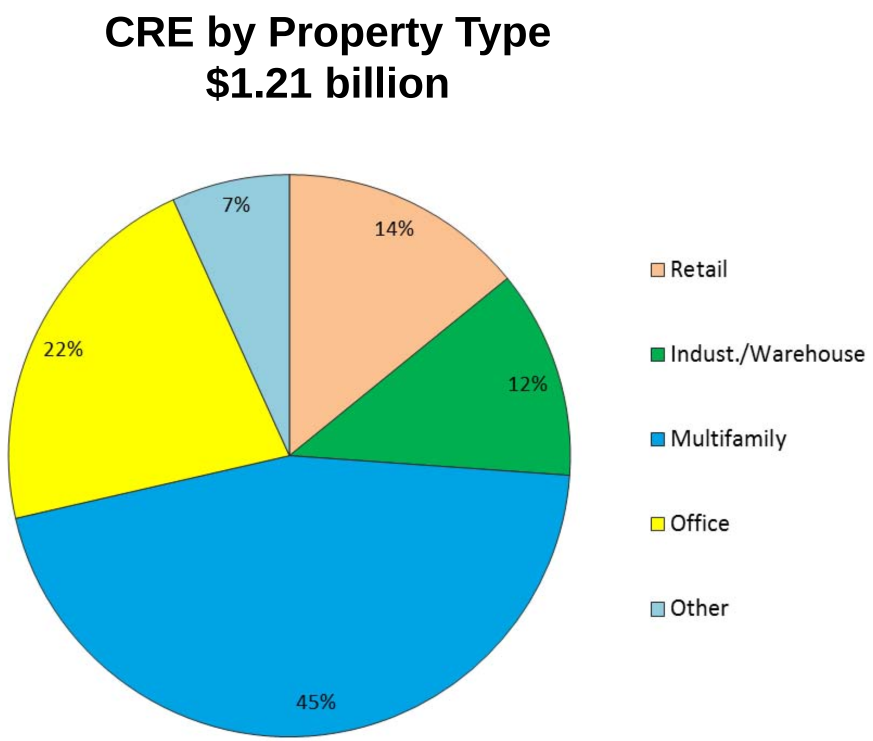
- New loan commitments remain strong and totaled $469 million in 1Q16 and included $292 million in commercial loans.
- Loans held for investment balances have grown 10% year to date, 62% of this growth was organic
- 1Q16 included $126 million of loans added from the acquisition of OCBB

HomeStreet

Loan Portfolio

- CRE loans ended 1Q16 at $1.21 billion or 34% of the total LHFI portfolio and 59% of the commercial loan portfolio. Multifamily is the number one property type.
- The composition of the portfolio continues to diversify, commercial loans make up 58% of the portfolio at 1Q16 and single family and consumer loans make up 42%.





HomeStreet

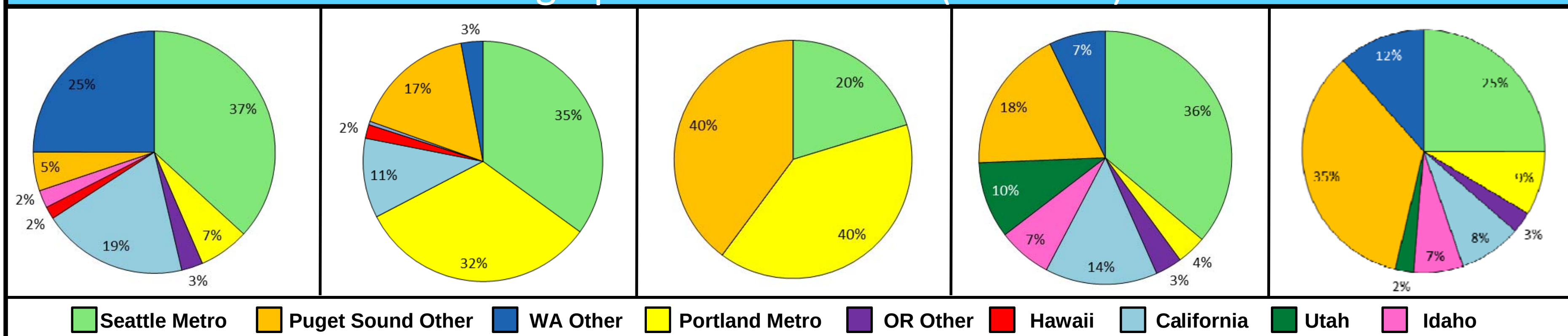
Construction Lending Overview

Construction lending is a broad category that includes many different loan types, which are often characterized by different risk profiles. HomeStreet lends within the full spectrum of construction lending types, but is deliberate in achieving diversification among the types to mitigate risk. Additionally, recent geographical expansion has provided an opportunity to reduce concentrations in any particular market.

Construction Lending Types

Custom Home Construction	*Multifamily*	*Commercial*	*Residential Construction*	*Land & Lots*
Loan Characteristics				
• 12 Month Term • Consumer Owner Occupied • Borrower Underwritten similar to Single Family	• 18-36 Month Term • ≤ 80% LTC • Minimum 15% Cash Equity • ≥ 1.15 DSC • Portfolio LTV ~ 65%	• 18-36 Month Term • ≤ 80% LTC • Minimum 15% Cash Equity • ≥ 1.25 DSC • ≥ 50% pre-leased office/retail • Portfolio LTV ~65%	• 12-18 Month Term • LTC: ≤ 95% Presale & Spec • Leverage, Liquid. & Net Worth Covenants as appropriate • Portfolio LTV ~ 70%	• 12-24 Month Term • ≤ 50% -80% LTC • Strong, experienced, vertically integrated builders • Portfolio LTV ~ 55%
3/31/16 Balances and Commitments				
Balance: $117M Unfunded Commitments: $96M % of Balances: 19% % of Unfunded Commitments: 22%	Balance: $198M Unfunded Commitments: $119M % of Balances: 32% % of Unfunded Commitments: 27%	Balance: $94M Unfunded Commitments: $30M % of Balances: 15% % of Unfunded Commitments: 7%	Balance: $166M Unfunded Commitments: $172M % of Balances: 26% % of Unfunded Commitments: 40%	Balance: $53M Unfunded Commitments: $16M % of Balances: 8% % of Commitments: 4%

Geographical Distribution (balances)



Credit Quality

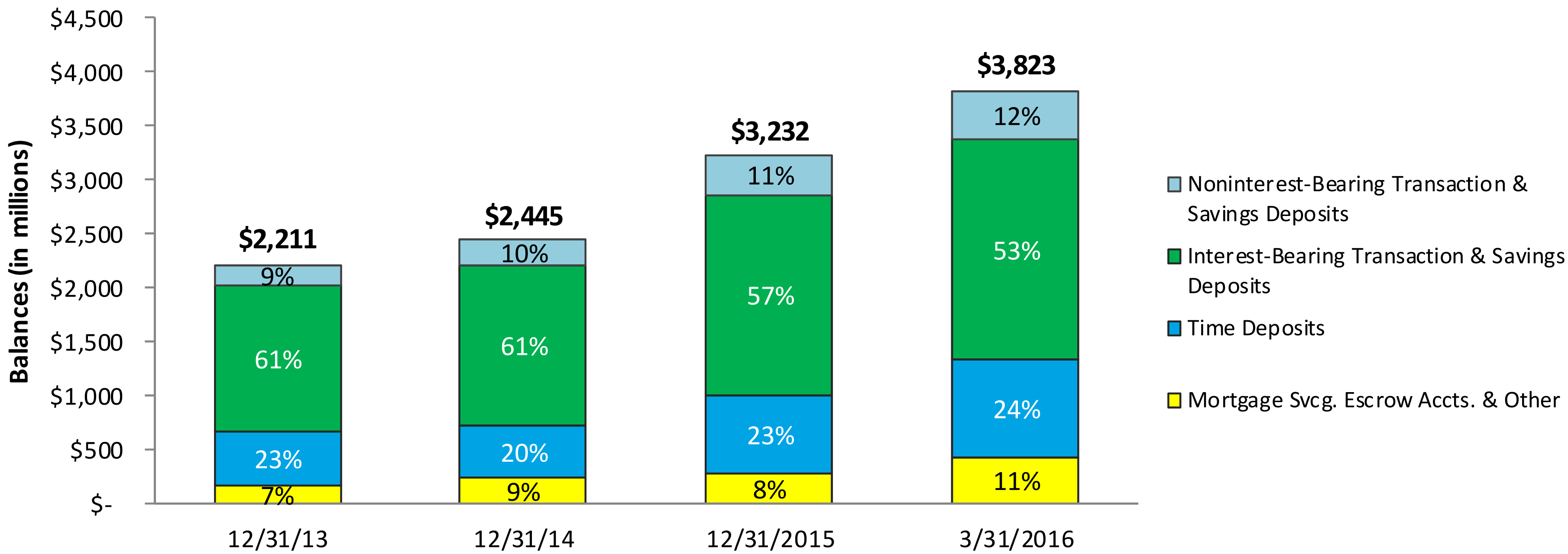
	Mar. 31, 2016		Dec. 31, 2015		Sept. 30, 2015		Jun. 30, 2015		Mar. 31, 2015	
($ in thousands)	HMST	Peer Avg [3]	HMST	Peer Avg [3]	HMST	Peer Avg [3]	HMST	Peer Avg [3]	HMST	Peer Avg [3]
Nonperforming assets [1]	$23,285	--	$24,699	--	$27,743	--	$32,735	--	$32,798	--
Nonperforming loans	$16,012	--	$17,168	--	$19,470	--	$21,308	--	$21,209	--
OREO	$7,273	--	$7,531	--	$8,273	--	$11,427	--	$11,589	--
Nonperforming assets/total assets [1]	0.43%	[4]	0.50%	0.82%	0.56%	0.83%	0.67%	0.83%	0.71%	0.91%
Nonperforming loans/total loans	0.45%	[4]	0.53%	0.77%	0.64%	0.71%	0.73%	0.72%	0.74%	0.78%
Total delinquencies/total loans	1.94%	[4]	2.05%	1.24%	2.40%	1.12%	2.25%	1.18%	2.37%	1.33%
Total delinquencies/total loans - adjusted [2]	0.64%	[4]	0.65%	1.23%	1.04%	1.10%	0.92%	1.16%	1.04%	1.31%
ALLL/total loans	0.88%	[4]	0.91%	1.11%	0.89%	1.11%	0.88%	1.15%	0.87%	1.16%
ALLL/Nonperforming loans (NPLs)	195.51%	[4]	170.54%	1038.44%	138.27%	736.61%	120.97%	442.13%	117.48%	424.00%
ALLL / total loans, excluding purchased loans	1.07%	--	1.10%	--	1.11%	--	1.12%	--	1.15%	--
Purchase Discounts / Purchased Loans with Discounts [5]	3.89%	--	3.75%	--	3.92%	--	3.96%	--	3.91%	--

- Credit Quality continues to improve:
  - Nonperforming assets declined to 0.43% of total assets
  - Nonperforming loans account for 65% of total delinquencies
  - Delinquencies declined to 1.94% of total loans compared to 2.05% in 4Q15
  - Adjusted delinquencies ended the quarter at 0.64%
  - OREO declined to $7.3 million compared to $7.5 million in 4Q15

[1] Nonperforming assets includes nonaccrual loans and OREO, excludes performing TDRs and SBAs
[2] Total delinquencies and total loans - adjusted (net of Ginnie Mae EBO loans (FHA/VA loans) and starting in 4Q15 guaranteed portion of SBA loans
[3] Peer group revised 1Q15. Source: SNL
[4] Not available at time of publishing
[5] While not a loss reserve, purchase discounts are available to absorb credit related losses on loans purchased with discounts

HomeStreet

Deposits



Total Cost of Deposits	0.43%	0.39%	0.44%	0.42%

- Total deposits of $3.8 billion at March 31, 2016, a $591 million or 18% increase from December 31, 2015, with $127 million of deposits added in the OCBB acquisition. Transaction and savings deposits increased $266 million and time deposits increased $169 million.
- Opened three new de novo branches during 1Q – two in Southern California and one in Hawaii – and added one branch from the OCBB acquisition located in Southern California
- 17.9% deposit growth from de-novo branches opened since 2012. Opened 13, or 27% of our total branch network, since 2012.

HomeStreet

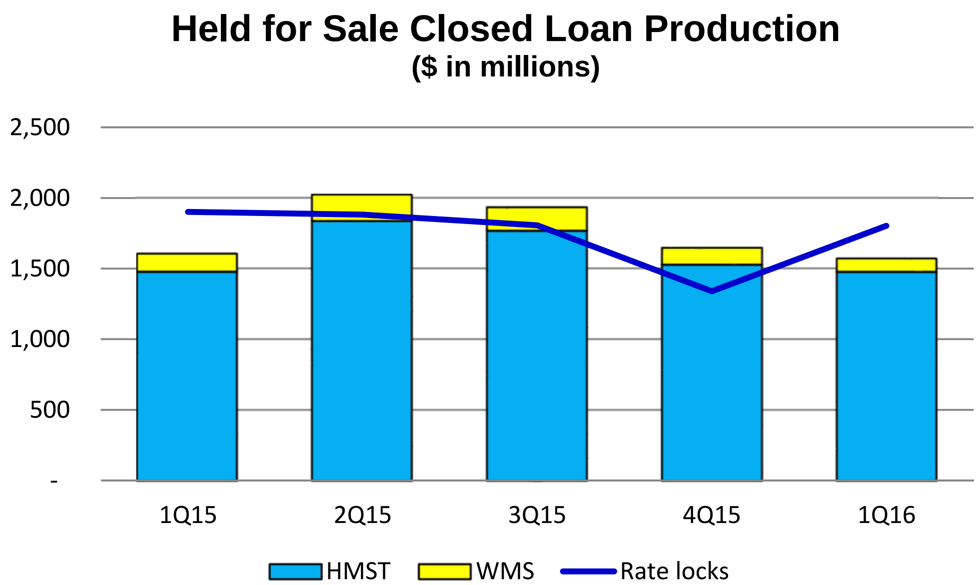
Mortgage Banking

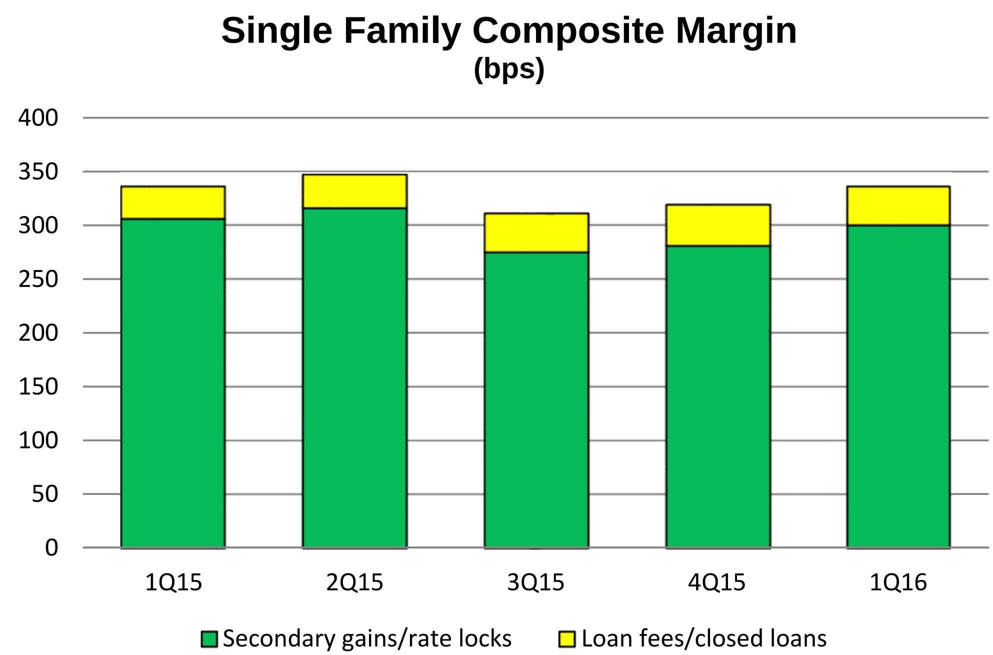
Mortgage Banking Segment – Quarter Trend

($ in thousands)	*For the three months ended* Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Net interest income	$ 5,044	$ 6,981	$ 8,125	$ 7,585	$ 5,627
Noninterest income	67,065	56,631	60,584	69,363	65,292
Noninterest expense	64,722	63,183	63,916	63,055	53,816
Net income before taxes	7,387	429	4,793	13,893	17,103
Income taxes	2,522	128	1,632	4,371	6,785
Net income	$ 4,865	$ 301	$ 3,161	$ 9,522	$ 10,318
ROAA	2.50%	0.12%	1.11%	3.44%	4.56%
ROATE	21.73%	1.28%	10.28%	26.84%	35.16%
Efficiency Ratio	89.8%	99.3%	93.0%	81.9%	75.9%
FTE	1,361	1,311	1,293	1,207	1,061

- 1Q interest rate lock commitment volume of $1.8 billion was 35% higher than in 4Q and closed loan volume of $1.6 billion was 5% lower than in the prior quarter
- Higher rate lock volume was the primary driver of net gain on mortgage loan origination and sale activities of $59.5 million coming in 37% above 4Q
- Mortgage servicing income of $7.3 million declined $5.5 million from the prior quarter primarily due to lower risk management results offset somewhat by an increase in collected servicing fee income

Mortgage Origination





	1Q15	2Q15	3Q15	4Q15	1Q16
HMST	$1,479	$1,837	$1,768	$1,530	$1,479
WMS	$127	$186	$166	$119	$94
Closed Loans	$1,607	$2,023	$1,934	$1,649	$1,573
Purchase %	*51%*	*69%*	*75%*	*70%*	*62%*
Refinance %	*49%*	*31%*	*25%*	*30%*	*38%*
Rate locks	$1,901	$1,883	$1,807	$1,340	$1,804
Purchase %	*50%*	*73%*	*70%*	*67%*	*59%*
Refinance %	*50%*	*27%*	*30%*	*33%*	*41%*

	Q1 15	Q2 15 [3]	Q3 15	Q4 15	1Q16
Secondary gains/rate locks [1]	306	316	275	281	300
Loan fees/closed loans [2]	30	31	36	38	36
Composite Margin	336	347	311	319	336

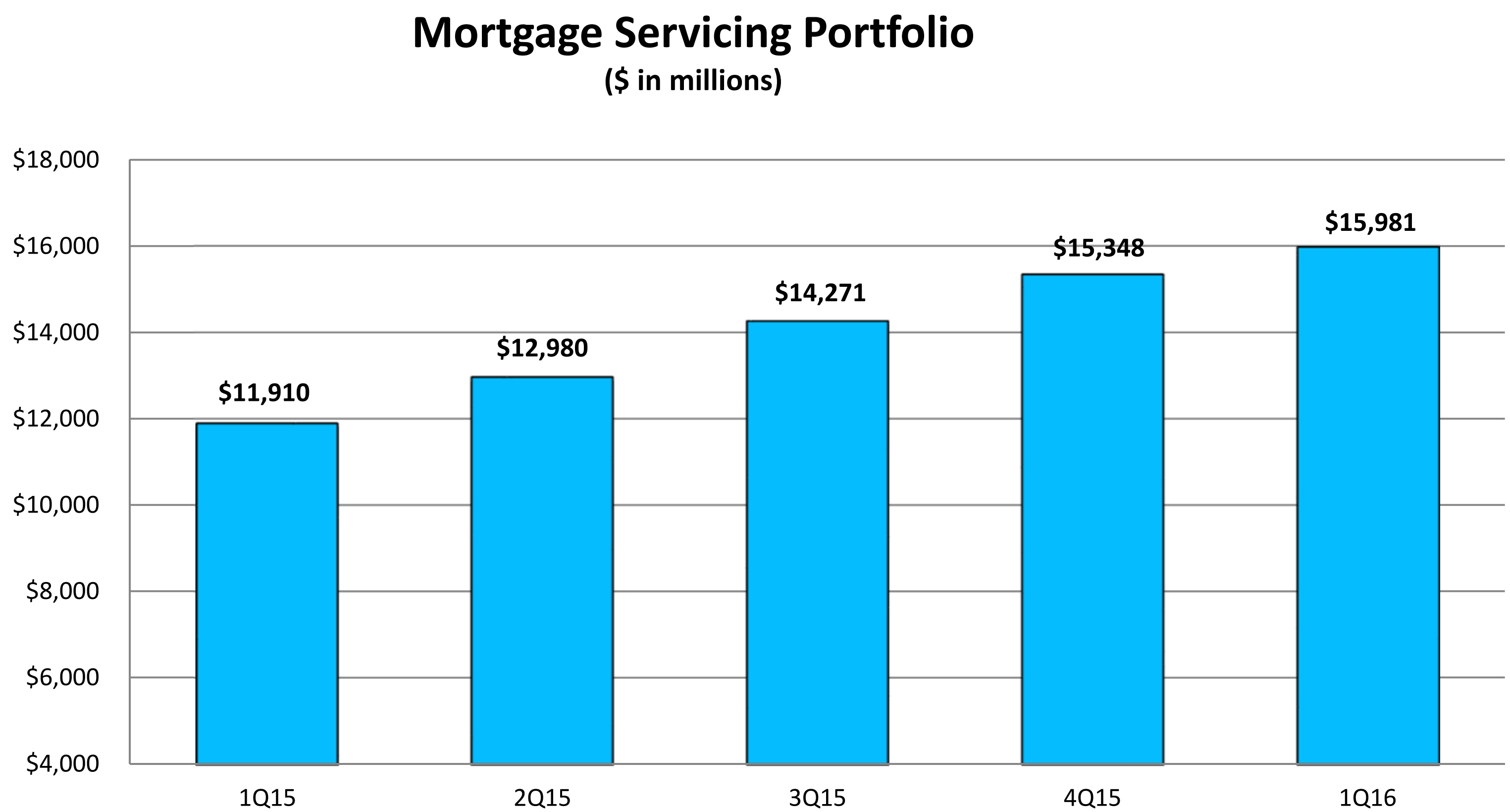
(1) Represents combined value of secondary market gains and originated mortgage servicing rights stated as a percentage of interest rate lock commitments.

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

(3) In the second quarter of 2015, we recognized an additional $2.4 million of gain on mortgage loan origination and sale revenue related to the correction of an error in the mortgage loan pipeline valuation. The Composite Margin in the table above has been adjusted to eliminate the impact of this correction.

HomeStreet

Mortgage Servicing



As of March 31, 2016

- Constant Prepayment Rate (CPR) – 13.3% for Q1 2016
- Weighted average servicing fee - 28.7 bps
- MSRs represent 0.84% of ending UPB – 2.9 W.A. servicing fee multiple
- W.A age - 27.8 months
- W.A. expected life – 49.1 months as of 3/31/16
- Composition – 27.8% FHA & VA
- Total delinquency - 1.1% (including foreclosures)
- W.A. note rate - 4.07%

Mortgage Market & Competitive Landscape

Mortgage Market

- MBA estimates first quarter mortgage origination nationally to decrease 14% over fourth quarter. By contrast, HomeStreet's originations decreased only 5% over the prior quarter.
- The most recent Mortgage Bankers Association monthly forecast projects total loan originations to decrease 4.4% in 2016 over the past year, an upward revision from its prior quarter forecast of a 7.1% decrease. However, our focus has always been on the purchase market and purchase mortgage originations are projected to increase 10% in 2016.
- Despite the increase in short term interest rates by the Federal Reserve in December, mortgage rates continue near historic lows, and nationally purchases are expected to increase by 10% from 2015 and comprise 62% of volume in 2016
- Housing starts for this year are expected to be up 11% over 2015 levels

Competitive Landscape

- Purchases comprised 53% of originations nationally and 49% in the Pacific Northwest in the first quarter. HomeStreet continues to perform above the national and regional averages, with purchases accounting for 62% of our closed loans and 59% of our interest rate lock commitments in the quarter.
- Purchase demand continues to remain strong in many of our our markets, however limited inventory continues to be a significant constraining issue
- The Pacific Northwest and the major markets in western United States are expected to continue to grow more quickly than the rest of the country

Earnings Guidance

- Currently anticipating mortgage loan lock and forward sale commitments volume of approximately $2.3 billion in the second and third quarters and $1.8 billion in the fourth quarter of this year
- Projecting mortgage loan held for sale closing volumes of $2.3 billion, $2.4 billion, and $2.1 billion in the second, third, and fourth quarters of this year, respectively
- Gain on sale composite margin expected to range between 315 and 325 basis points over the next three quarters
- In our Commercial and Consumer Banking segment, over the next three quarters we continue to expect net loan portfolio growth to approximate 4% to 6% quarterly
- Overall, we generally expect our consolidated net interest margin to trend down to the 3.40% to 3.45% level reflecting a flatter yield curve, absent changes in market rates and prepayment speeds
- Our non-interest expenses will grow approximately 3% per quarter on average, reflecting the continued investment in our growth and infrastructure

Appendix

Statements of Financial Condition

($ in thousands)	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Cash and cash equivalents	$ 46,356	$ 32,684	$ 37,303	$ 46,197	$ 56,864
Investment securities	687,081	572,164	602,018	509,545	476,102
Loans held for sale	696,692	650,163	882,319	972,183	865,322
Loans held for investment, net	3,523,551	3,192,720	3,012,943	2,900,675	2,828,177
Mortgage servicing rights	148,851	171,255	146,080	153,237	121,722
Other real estate owned	7,273	7,531	8,273	11,428	11,589
Federal Home Loan Bank stock, at cost	40,548	44,342	44,652	40,742	34,996
Premises and equipment, net	67,323	63,738	60,544	58,111	49,808
Goodwill	20,366	11,945	11,945	11,945	11,945
Other assets	179,211	147,953	169,576	162,185	147,878
Total assets	$ 5,417,252	$ 4,894,495	$ 4,975,653	$ 4,866,248	$ 4,604,403
Deposits	$ 3,823,027	$ 3,231,953	$ 3,307,693	$ 3,322,653	$ 3,344,223
Federal Home Loan Bank advances	883,574	1,018,159	1,025,745	922,832	669,419
Federal funds purchased and securities sold under agreements to repurchase	-	-	-	-	9,450
Accounts payable and other liabilities	119,662	117,251	119,900	111,180	80,059
Long-term debt	61,857	61,857	61,857	61,857	61,857
Total liabilities	4,888,120	4,429,220	4,515,195	4,418,522	4,165,008
Preferred stock	-	-	-	-	-
Common stock	511	511	511	511	511
Additional paid-in capital	273,168	222,328	222,047	221,551	221,301
Retained earnings	251,292	244,885	236,207	226,246	213,870
Accumulated other comprehensive income (loss)	4,161	(2,449)	1,693	(582)	3,713
Total shareholders’ equity	529,132	465,275	460,458	447,726	439,395
Total liabilities and shareholders’ equity	$ 5,417,252	$ 4,894,495	$ 4,975,653	$ 4,866,248	$ 4,604,403

Non-GAAP Financial Measures

Tangible Book Value:

(dollars in thousands, except share data)	Quarter Ended Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Shareholders' equity	$529,132	$465,275	$460,458	$447,726	$439,395
Less: Goodwill and other intangibles	(29,126)	(20,266)	(20,250)	(20,778)	(21,324)
Tangible shareholders' equity	$500,006	$445,009	$440,208	$426,948	$418,071
Book value per share	$21.55	$21.08	$20.87	$20.29	$19.94
Impact of goodwill and other intangibles	(1.18)	(0.92)	(0.92)	(0.94)	(0.97)
Tangible book value per share	$20.37	$20.16	$19.95	$19.35	$18.97
Average shareholders' equity	$510,883	$470,635	$460,489	$455,721	$370,008
Less: Average goodwill and other intangibles	(26,645)	(20,195)	(20,596)	(21,135)	(16,698)
Average tangible shareholders' equity	$484,238	$450,440	$439,893	$434,586	$353,310
Return on average shareholders’ equity	5.02%	7.38%	8.65%	10.86%	11.14%
Impact of goodwill and other intangibles	0.27%	0.33%	0.41%	0.53%	0.53%
Return on average tangible shareholders' equity	5.29%	7.71%	9.06%	11.39%	11.67%

HomeStreet

Non-GAAP Financial Measures

Core Net Income:

(dollars in thousands)	Quarter Ended Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Net income	$6,407	$8,678	$9,961	$12,376	$10,304
Impact of merger-related items (net of tax)	3,378	109	(512)	2,165	1,256
Net income, excluding merger-related items (net of tax)	$9,785	$8,787	$9,449	$14,541	$11,560
Noninterest expense	$101,353	$92,725	$92,026	$92,335	$89,482
Deduct: merger-related expenses	(5,198)	(754)	(437)	(3,208)	(12,165)
Noninterest expense, excluding merger-related expenses	$96,155	$91,971	$91,589	$89,127	$77,317
Diluted earnings per common share	$0.27	$0.39	$0.45	$0.56	$0.59
Impact of merger-related items (net of tax)	0.14	-	(0.03)	0.09	0.08
Diluted earnings per common share, excluding merger-related items (net of tax)	$0.41	$0.39	$0.42	$0.65	$0.67
Return on average assets	0.51%	0.71%	0.83%	1.06%	1.08%
Impact of merger-related items (net of tax)	0.27%	0.01%	(0.05)%	0.19%	0.13%
Return on average assets, excluding merger-related items (net of tax)	0.78%	0.72%	0.78%	1.25%	1.21%
Return on average shareholders' equity	5.02%	7.38%	8.65%	10.86%	11.14%
Impact of merger-related items (net of tax)	2.64%	0.09%	(0.44)%	1.90%	1.36%
Return on average shareholders' equity, excluding merger-related items (net of tax)	7.66%	7.47%	8.21%	12.76%	12.50%
Return on average tangible shareholders' equity	5.29%	7.71%	9.06%	11.39%	11.67%
Impact of merger-related items (net of tax)	2.79%	0.09%	(0.47)%	1.99%	1.42%
Return on average tangible shareholders' equity, excluding merger-related items (net of tax)	8.08%	7.80%	8.59%	13.38%	13.09%
Efficiency ratio	90.17%	88.18%	85.92%	83.02%	84.33%
Impact of merger-related items (net of tax)	(4.62)%	(0.40)%	0.23%	(2.94)%	(6.61)%
Efficiency ratio, excluding merger-related items (net of tax)	85.55%	87.79%	86.16%	80.08%	77.72%

HomeStreet

Non-GAAP Financial Measures

Core Net Income – Commercial & Consumer Banking:

	Quarter Ended				
(dollars in thousands)	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015
Commercial and Consumer Banking Segment:					
Net (loss) income	$1,542	$8,377	$6,800	$2,854	($14)
Impact of merger-related items (net of tax)	3,378	109	(512)	2,165	1,256
Net income, excluding merger-related items (net of tax)	$4,920	$8,486	$6,288	$5,019	$1,242
ROAA	0.15%	0.84%	0.71%	0.32%	(0.00)%
Impact of merger-related items (net of tax)	0.32%	0.01%	(0.05)%	0.24%	0.17%
ROAA, excluding merger-related items (net of tax)	0.46%	0.85%	0.66%	0.56%	0.16%
ROAE	1.47%	8.99%	7.99%	3.68%	(0.02)%
Impact of merger-related items (net of tax)	3.23%	0.12%	(0.60)%	2.79%	2.04%
ROAE, excluding merger-related items (net of tax)	4.71%	9.11%	7.39%	6.47%	2.02%
ROATE	1.58%	9.51%	8.51%	3.95%	(0.02)%
Impact of merger-related items (net of tax)	3.46%	0.12%	(0.64)%	3.00%	2.18%
ROATE, excluding merger-related items (net of tax)	5.03%	9.64%	7.87%	6.94%	2.16%
Efficiency ratio	90.92%	71.12%	73.22%	85.44%	101.36%
Impact of merger-related items (net of tax)	(12.90)%	(1.17)%	0.39%	(9.54)%	(19.07)%
Efficiency ratio, excluding merger-related items (net of tax)	78.02%	69.95%	73.60%	75.90%	82.29%