

[HomeStreet]

**THIRD QUARTER
2013
(updated)**

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 integrate our recent acquisitions and to continue to expand our banking operations geographically and across market sectors, grow our franchise and capitalize on market opportunities; 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 September 30, 2013.

Established Pacific Northwest Franchise

- 92-year old diversified financial services company headquartered in Seattle
- Leading Northwest mortgage lender and commercial & consumer bank
- Pro forma assets of approximately \$3.1 billion with branch network in Pacific Northwest, California and Hawaii ⁽¹⁾
- Pro forma deposits of \$2.37 billion ⁽²⁾
- 30 retail deposit branches, 41 stand-alone home loan centers and four stand-alone commercial lending centers ⁽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 9/30/13.

⁽²⁾ Deposits are pro forma and include deposits acquired from AmericanWest, Fortune Bank and Yakima National Bank based on data at 9/30/13.

⁽³⁾ Includes acquisition of four Yakima National Bank locations and two AmericanWest Bank retail deposit branches. Two acquired Fortune Bank branches will be consolidated into existing HomeStreet Bank branches in Q1-2014.

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 driven by attractive market demographics**
 - Expand Commercial & Consumer Banking activities
 - Expand multifamily mortgage banking – Fannie Mae DUS® program and B2B
 - Grow portfolio lending – C&I, CRE and Construction
 - Increase density of retail deposit branch network
- **Growth via acquisition of smaller institutions in-market and in new markets where we have established a meaningful market presence**

Build Single Family Mortgage origination market share

- **Continue opportunistic expansion (market share and footprint) of Single Family mortgage banking activities**
- **Target Western states major market franchise**

Ongoing expense management

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

Optimize use of capital

- **Deploy capital in support of growth objectives**
- **Shareholder dividends consistent with peers**
- **Target long-term 15%+ ROE**

Recent Developments

Merger & Acquisition Activity

- On November 1, 2013 we closed the acquisitions of Fortune Bank and Yakima National Bank; as of September 30, 2013, the combined organization had approximately \$3.1 billion in assets on a pro forma basis.
- The Company also entered into an agreement to purchase two Seattle-area retail bank branches with approximately \$40 million in deposits from AmericanWest Bank. This transaction is anticipated to close in December 2013.

Organic Growth (7/1/13 – 11/1/13)

- Opened 12 new home loan centers
- Opened one retail deposit branch and one commercial lending office in the Seattle Metro area
- Headcount increase of 124
 - 90 in Mortgage Banking
 - 34 in Commercial & Consumer Banking

Shareholder Dividend

- On October 25, 2013, the Company announced a special common stock dividend of \$0.11 per share, payable on November 25, 2013.

Results of Operations

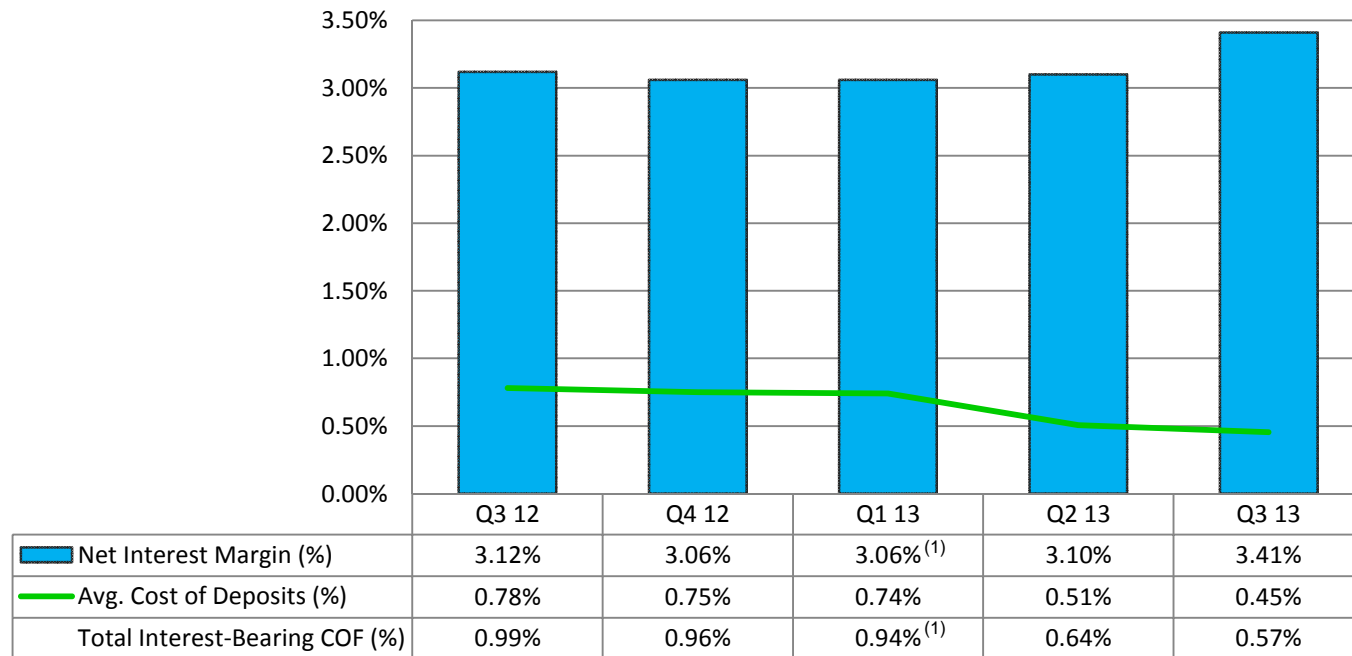
(\$ in thousands)	For the three months ended				
	Sept. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012
Net interest income	\$ 20,412	\$ 17,415	\$ 15,235	\$ 16,591	\$ 16,520
Provision for loan losses	(1,500)	400	2,000	4,000	5,500
Noninterest income	38,174	57,556	58,943	71,932	69,091
Noninterest expense	58,116	56,712	55,799	55,966	45,934
Net income before taxes	1,970	17,859	16,379	28,557	34,177
Income taxes	308	5,791	5,439	7,060	12,186
Net income	\$ 1,662	\$ 12,068	\$ 10,940	\$ 21,497	\$ 21,991
Diluted EPS	\$ 0.11	\$ 0.82	\$ 0.74	\$ 1.46	\$ 1.50

ROAA	0.24%	1.86%	1.75%	3.46%	3.60%
ROAE	2.45%	17.19%	15.95%	32.80%	38.02%
Net Interest Margin	3.41%	3.10%	2.81% ⁽¹⁾	3.06%	3.12%
Tier 1 Leverage Ratio (Bank)	10.85%	11.89%	11.97%	11.78%	10.86%
Total Risk-Based Capital (Bank)	18.44%	19.15%	20.47%	19.31%	18.01%

(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 three months ended March 31, 2013, excluding the impact of this correction, was 3.06%.

Net Interest Margin

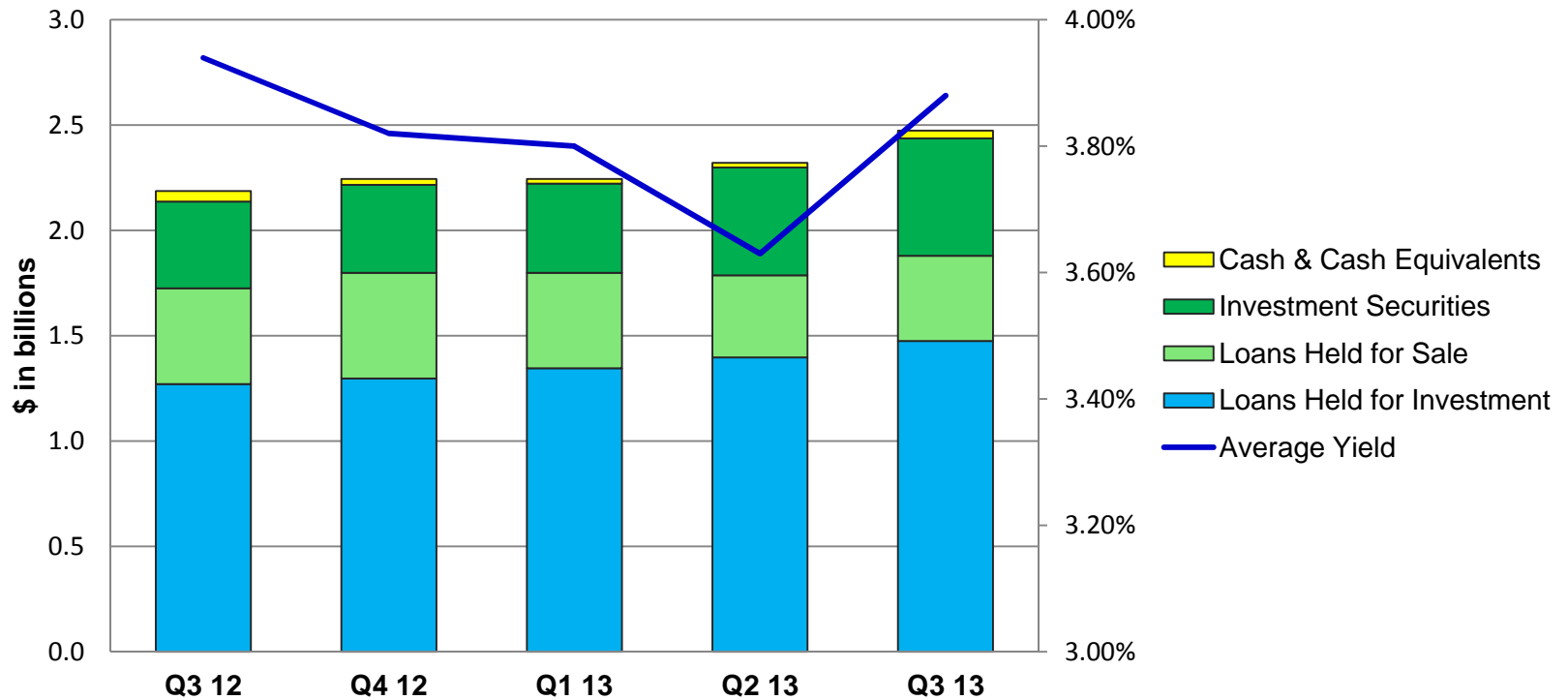
Net Interest Margin



- Q3 NIM increased 31 bps over the second quarter due primarily to an increase in securities yields as a result of changes in interest rates during the quarter that extended expected lives of MBS, and a decline in cost of funds as a result of the maturity and repricing of time deposits
- Average cost of deposits decreased to 45 bps in the third quarter

Interest-Earning Assets

Average Interest-Earning Assets

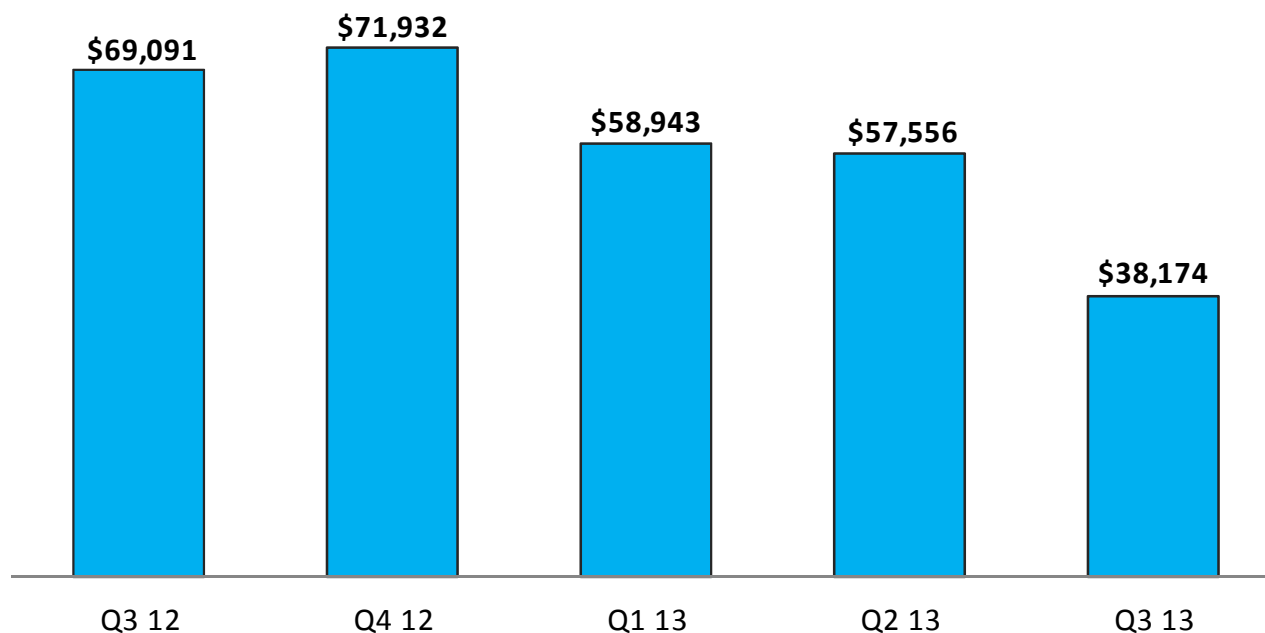


Avg. Yield	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13
	3.94%	3.82%	3.80%	3.63%	3.88%

- Average loans held for investment increased by \$78 million or 5.6% in Q3
 - New originations in mortgage, commercial lending, commercial real estate and residential construction
 - New loan commitments totaled \$242 million for the third quarter, an increase of 15% over the second quarter
- Total average interest-earning assets increased by \$153 million or 6.6%

Noninterest Income

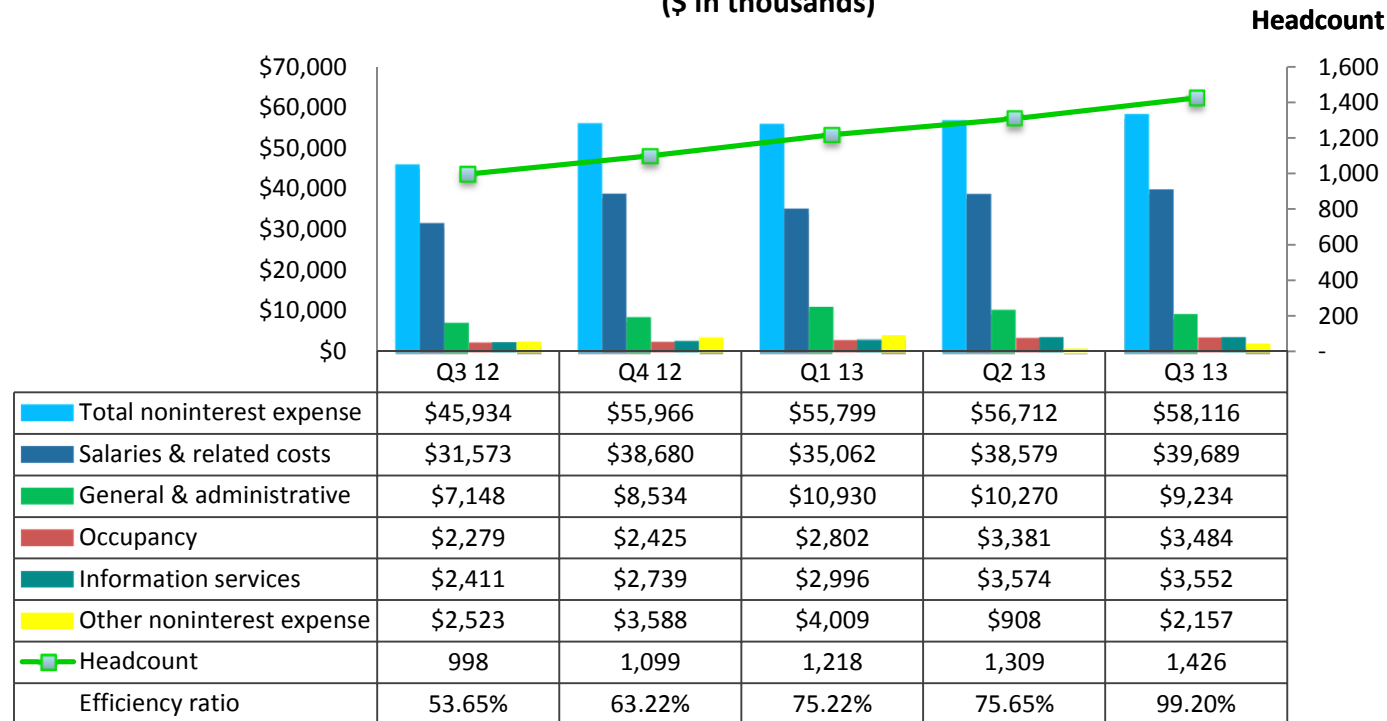
Noninterest Income (\$ in thousands)



- Noninterest income decreased 34% to \$38.2 million for Q3 compared to Q2 due to substantially lower mortgage origination and sale revenue

Noninterest Expense

Noninterest Expense (\$ in thousands)



- Headcount increased by 9% in Q3
- Increased salaries and related costs due primarily to net addition of 82 mortgage origination and fulfillment headcount, partially offset by lower commissions paid on lower production volume
- Noninterest expense will continue to vary based on headcount and mortgage origination volume

Segment Overview

Mortgage Banking	Commercial & Consumer Banking
Overview	
<ul style="list-style-type: none"> • Regional Single Family mortgage origination platform • 100% direct retail origination ⁽¹⁾ • Majority of production sold into secondary market • Fannie Mae, Freddie Mac, FHA, VA lender since programs' inception • Portfolio products: jumbo and custom home construction • Servicing retained on majority of originated loans sold to secondary markets <p><small>(1) Includes Windermere Mortgage Services</small></p>	<ul style="list-style-type: none"> • Commercial Banking <ul style="list-style-type: none"> • Commercial lending, including SBA • All CRE property types with multifamily focus • Residential construction • Commercial deposit, treasury and cash mgmt. services • Consumer Banking <ul style="list-style-type: none"> • Consumer loan and deposit products • Consumer investment, insurance and private banking products and services
Strategic Objectives	
<ul style="list-style-type: none"> • 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 targeted ROE of >25% 	<ul style="list-style-type: none"> • Expand market/grow market share in current and new markets <ul style="list-style-type: none"> • Follow mortgage expansion • Grow and diversify loan portfolio • Long-term targeted ROE range of 8-12% <ul style="list-style-type: none"> – C&I lending - 8-12% – Commercial real estate - 10-15% – Residential construction - 20-30% – Single family residential - 10-15%

Commercial & Consumer Banking

Commercial & Consumer Banking Segment

(\$ in thousands)	For the three months ended				
	Sept. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012
Net interest income	\$ 15,919	\$ 13,687	\$ 11,081	\$ 12,114	\$ 12,096
Provision for loan losses	(1,500)	400	2,000	4,000	5,500
Noninterest income	1,229	1,537	2,390	2,529	2,474
Noninterest expense	13,577	13,472	15,699	16,393	13,302
Net income before taxes	5,071	1,352	(4,228)	(5,750)	(4,232)
Income taxes	1,219	31	(1,375)	(1,373)	(1,904)
Net income	\$ 3,852	\$ 1,321	\$ (2,853)	\$ (4,377)	\$ (2,328)
ROAA	0.73%	0.27%	(0.62%)	(0.95%)	(0.50%)
ROAE ⁽¹⁾	8.42%	2.81%	(6.65%)	(9.50%)	(5.04%)
Efficiency Ratio	79.18%	88.49%	116.54%	111.95%	91.30%
Net Interest Margin	3.22%	3.00%	2.71%	2.96%	3.02%
Total Earning Assets	\$ 2,093,182	\$ 1,963,414	\$ 1,789,914	\$ 1,744,218	\$ 1,695,692
Headcount	504	476	440	413	377

- Total earning assets increased \$130 million or 6.6% in the quarter
- Total new loan commitments of \$242 million, compared to \$211 million in Q2
- Deposit balances of \$2.1 billion increased 7% from June 30, 2013
- NIM increased to 3.22%, an increase of 20 bps from the same period last year
- Continued strong credit performance including significant reductions in classified assets, nonaccruals, delinquencies and TDRs

Credit Quality

Metric (\$ in 000s)	12/31/2012		3/31/2013		6/30/2013		9/30/2013	
	HMST	Peer Avg	HMST	Peer Avg	HMST	Peer Avg	HMST	Peer Avg
Classified Assets	\$86,270	--	\$90,076	--	\$74,721	--	\$54,355	--
Nonperforming Assets ⁽¹⁾	\$53,833	--	\$53,797	--	\$41,650	--	\$39,019	--
Classified assets/total assets	3.28%	2.53%	3.59%	2.27%	2.69%	2.04%	1.90%	1.99% ⁽³⁾
Nonperforming assets/total assets ⁽¹⁾	2.05%	1.80%	2.14%	1.61%	1.50%	1.37%	1.37%	1.21%
Total delinquencies/total loans	6.58%	3.41%	6.66%	3.27%	6.06%	2.68%	5.64%	2.23%
Total delinquencies/total loans – adjusted ⁽²⁾	2.93%	3.22%	2.94%	3.00%	2.52%	2.66%	2.16%	2.22%
ALL/total loans	2.06%	1.40%	2.05%	1.38%	1.92%	1.31%	1.61%	1.26%
ALL/NPLs	92.20%	94.56%	88.40%	96.94%	93.11%	112.61%	92.30%	128.80%

- Nonperforming assets were 1.37% of total assets compared to 1.50% in Q2 2013
- OREO down almost 50% since the beginning of the year
- Classified assets were 1.90% of total assets compared to 2.69% of total assets in Q2 2013
- Delinquent loans totaled \$87 million, including \$55 million of loans insured or guaranteed by FHA or VA that were still accruing at quarter-end
- Peer group comprised of AF, WAFD, ISBC, BKU, SBCF, BANC, ESBF, UCFC, PGC, CZNC, PROV, FFNW, SMPL, TSH ⁽⁴⁾

⁽¹⁾ Nonperforming assets includes nonaccrual loans and OREO, excludes TDRs

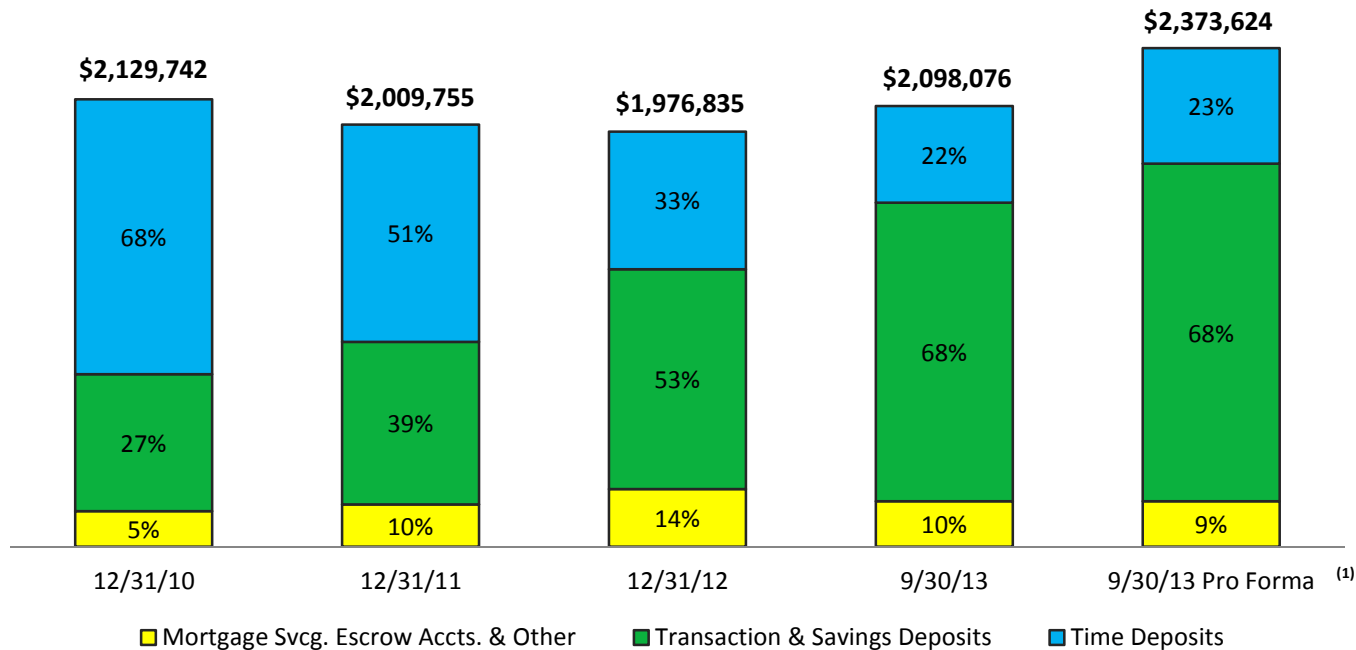
⁽²⁾ Total delinquencies and total loans are both net of Ginnie Mae EBO loans (FHA/VA loans)

⁽³⁾ Average does not include WAFD – information unavailable

⁽⁴⁾ Source: SNL

Deposits

Composition of Deposits (\$ in thousands)

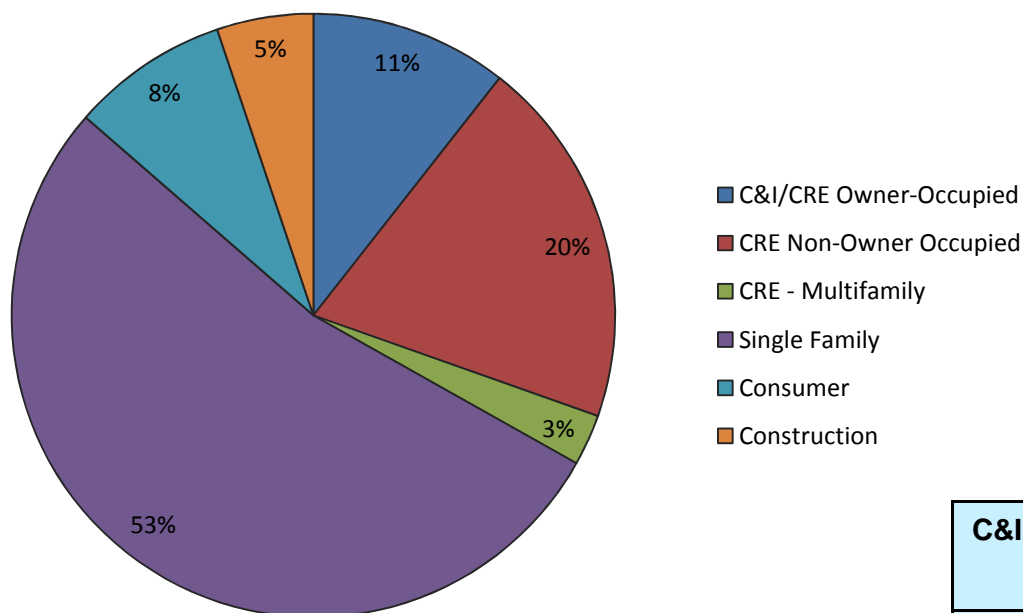


- Total deposits of \$2.1 billion at September 30, 2013, an increase of 7% over the second quarter
- Transaction and savings deposits grew \$91 million in Q3
- Growth in time deposits represents decision to extend duration of liabilities

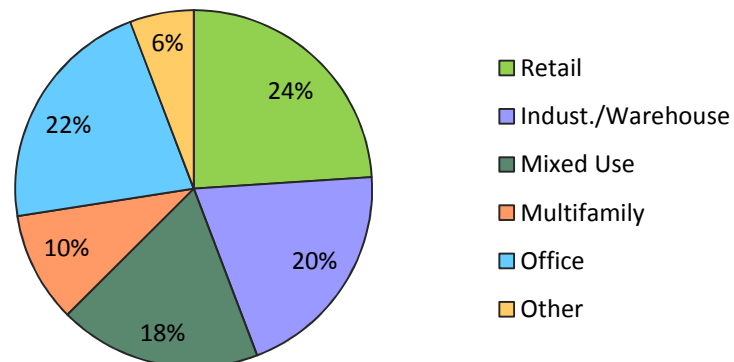
Loan Portfolio

- Net growth of \$94 million, with \$242 million in new commitments for the quarter compared to \$211 million in the second quarter and \$115 million in the first quarter

Loan Composition (1)
\$1.54 billion



CRE by Property Type (1)
\$ 442 million

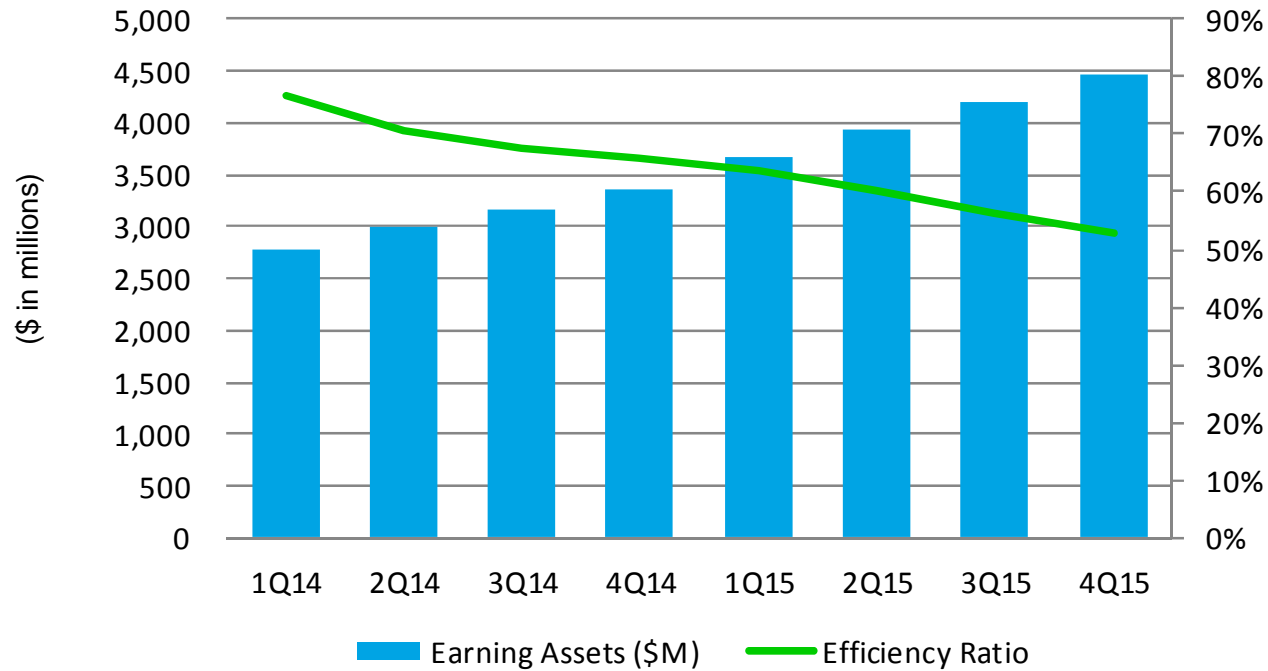


Q3 Origination Activity

C&I Lending	\$17 million in commitments and originations
	\$125 million pipeline ⁽²⁾
CRE	\$51 million in commitments and originations
	\$360 million pipeline ⁽²⁾
Residential Construction	\$45 million in commitments and originations
	\$110 million pipeline ⁽²⁾
Single Family ⁽³⁾	\$130 million in originations
	\$91 million pipeline ⁽⁴⁾

(1) As of 9/30/13
 (2) Not all loans under negotiation will close
 (3) Includes HELOCs
 (4) Represents rate locks for loans designated as Held For Investment, not adjusted for estimated fallout

Commercial & Consumer Banking – Earning Assets Growth Scenario



- Scenario assumes average quarterly growth of 7% in earning assets and 1% in noninterest expense in 2014-2015

Mortgage Banking

Mortgage Banking Segment

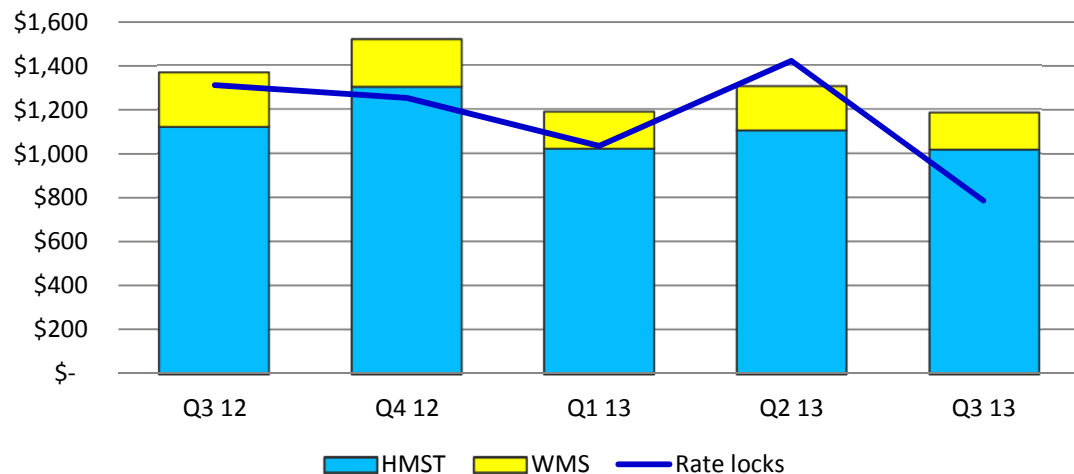
(\$ in thousands)	For the three months ended				
	Sept. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012
Net interest income	\$ 4,493	\$ 3,728	\$ 4,154	\$ 4,477	\$ 4,424
Noninterest income	36,945	56,019	56,553	69,403	66,617
Noninterest expense	44,539	43,240	40,100	39,573	32,632
Net income before taxes	(3,101)	16,507	20,607	34,307	38,409
Income taxes	(911)	5,760	6,814	8,433	14,090
Net income	\$ (2,190)	\$ 10,747	\$ 13,793	\$ 25,874	\$ 24,319
ROAA	(1.39%)	6.64%	8.15%	13.97%	15.28%
ROAE ⁽¹⁾	(10.81%)	49.27%	57.77%	139.71%	152.78%
Efficiency Ratio	107.48%	72.37%	66.05%	53.56%	45.93%
Headcount	922	833	779	686	621

Third quarter highlights:

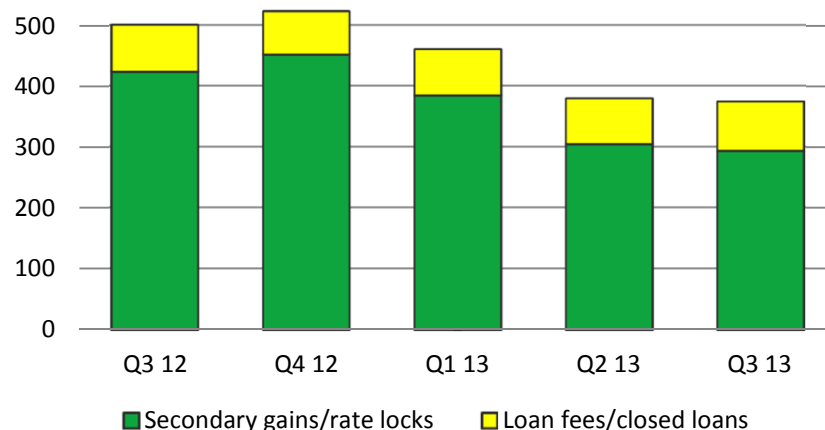
- Decline in refinance activity resulted in lower interest rate lock commitment volume, which at \$786 million was 45% lower than in Q2, while closed loan volume of \$1.2 billion was 9% lower than Q2
 - Segment earnings experienced a significant negative impact from the disparity in the volume of rate lock commitments vs. closed loans
 - A majority of loan revenue is recognized at interest rate lock, while a majority of loan production expense is recognized at loan closing
- Composite margin of 375 basis points, down 5 basis points from the prior quarter
- Single Family mortgage servicing income of \$3.7 million, an increase of nearly 100% over Q2
- Mortgage servicing fees increased as Company's portfolio of Single Family loans serviced for others increased by 8.5% in the quarter

Mortgage Origination

Single Family Closed Loan Production
(\$ in millions)



Single Family Composite Margin
(bps)



	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13
HMST	\$1,123	\$1,304	\$1,024	\$1,107	\$1,020
WMS	\$245	\$215	\$168	\$200	\$167
Total production	\$1,368	\$1,519	\$1,192	\$1,307	\$1,187
Rate locks	\$1,313	\$1,255	\$1,036	\$1,423	\$786

	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13
Servicing value & secondary gains/rate locks ⁽¹⁾	424	452 ⁽³⁾	385 ⁽⁴⁾	305	294
Loan fees/closed loans ⁽²⁾	77	71	76	75	81
Composite Margin	501	523	461	380	375

- Purchase volume increased significantly (includes Windermere Mortgage Services)
 - 80% of interest rate lock commitments, compared to 59% in the second quarter
 - 66% of closed loan volume, up from 59% in the second quarter

⁽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 MSR's 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.

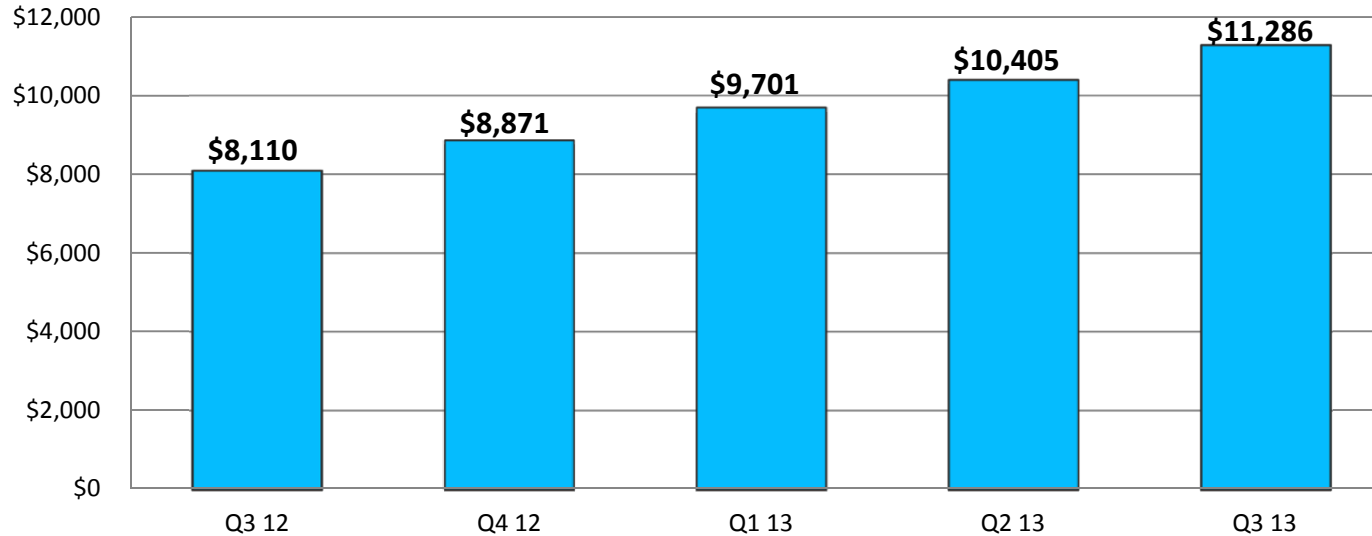
⁽²⁾ Loan origination and funding fees stated as a percentage of mortgage originations from the retail channel and excludes loans purchased from WMS.

⁽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 462 and 533 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 427 and 503 basis points, respectively, in the first quarter of 2013.

Mortgage Servicing

Mortgage Servicing Portfolio (\$ in millions)



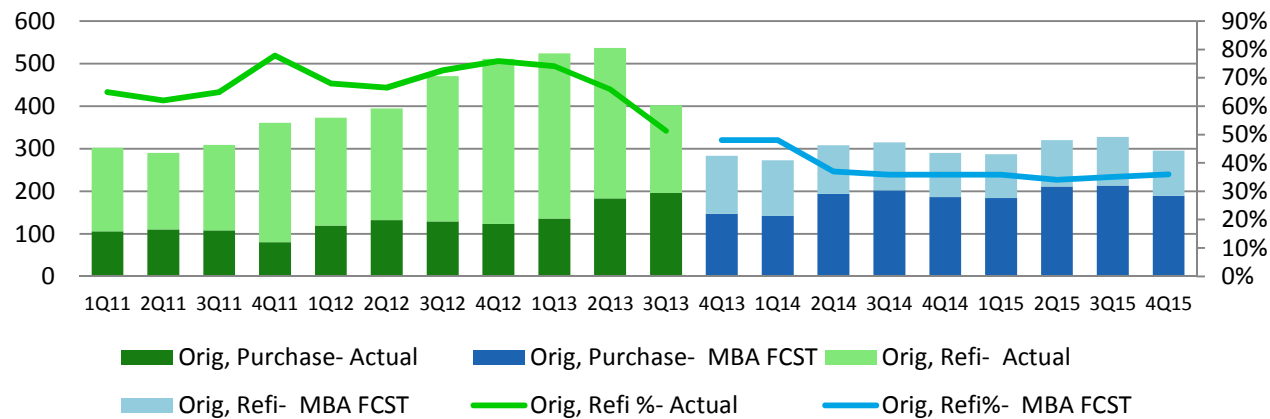
- Weighted average servicing fee of 30 bps
- MSR's represent 1.21% of ending UPB – 4.08 weighted average servicing fee multiple
- Weighted average age – 24.5 months
- Composition of 25% government in Q3 compared to 23% in the second quarter
- Total delinquency of 1.71% (including foreclosures) at 9/30/13
- Weighted average note rate of 4.13%

Mortgage Market and Expansion Strategy

Shift in Market Conditions

Most recent MBA origination forecast for 2015 indicates a stabilization of volumes starting in Q4 2013. Forecasted volume in 2014 and 2015 are expected to be consistent with periods just prior to the most recent refinance wave, which occurred between Q3 2011 and Q2 2013. The MBA also forecasts a continued shift towards a purchase-oriented market.

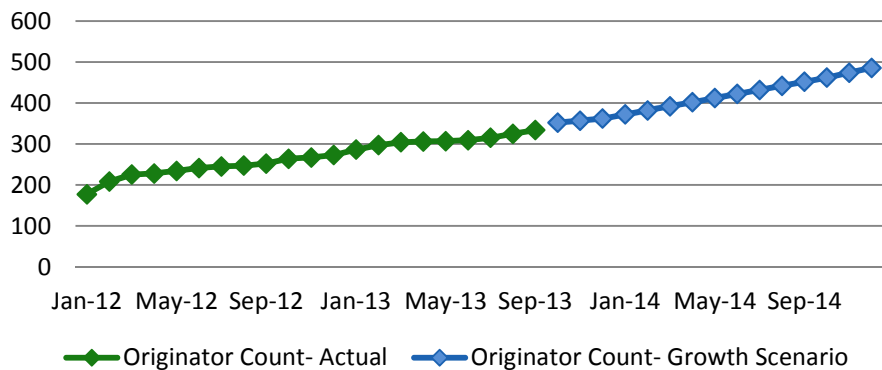
MBA Origination Forecast (1): Purchase vs. Refinance (\$B)



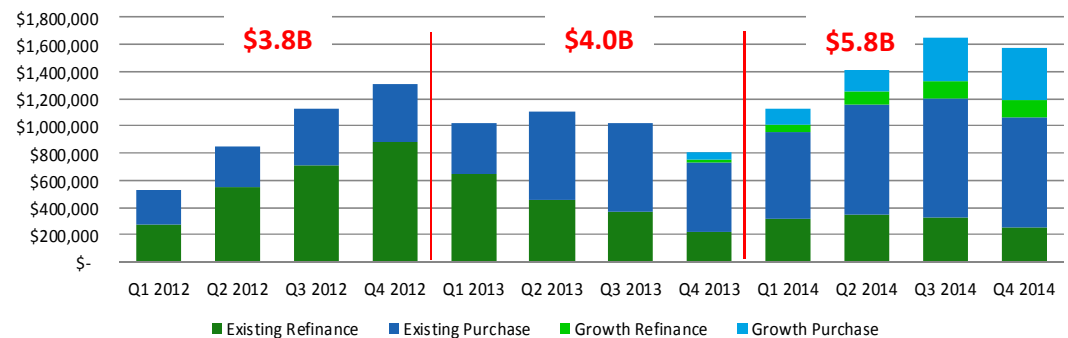
(1) Source: MBA
Forecast Oct .29, 2013

Expansion Strategy and Originator Growth Scenario

Originators: Actual Count & Growth Scenario for 2012-2014

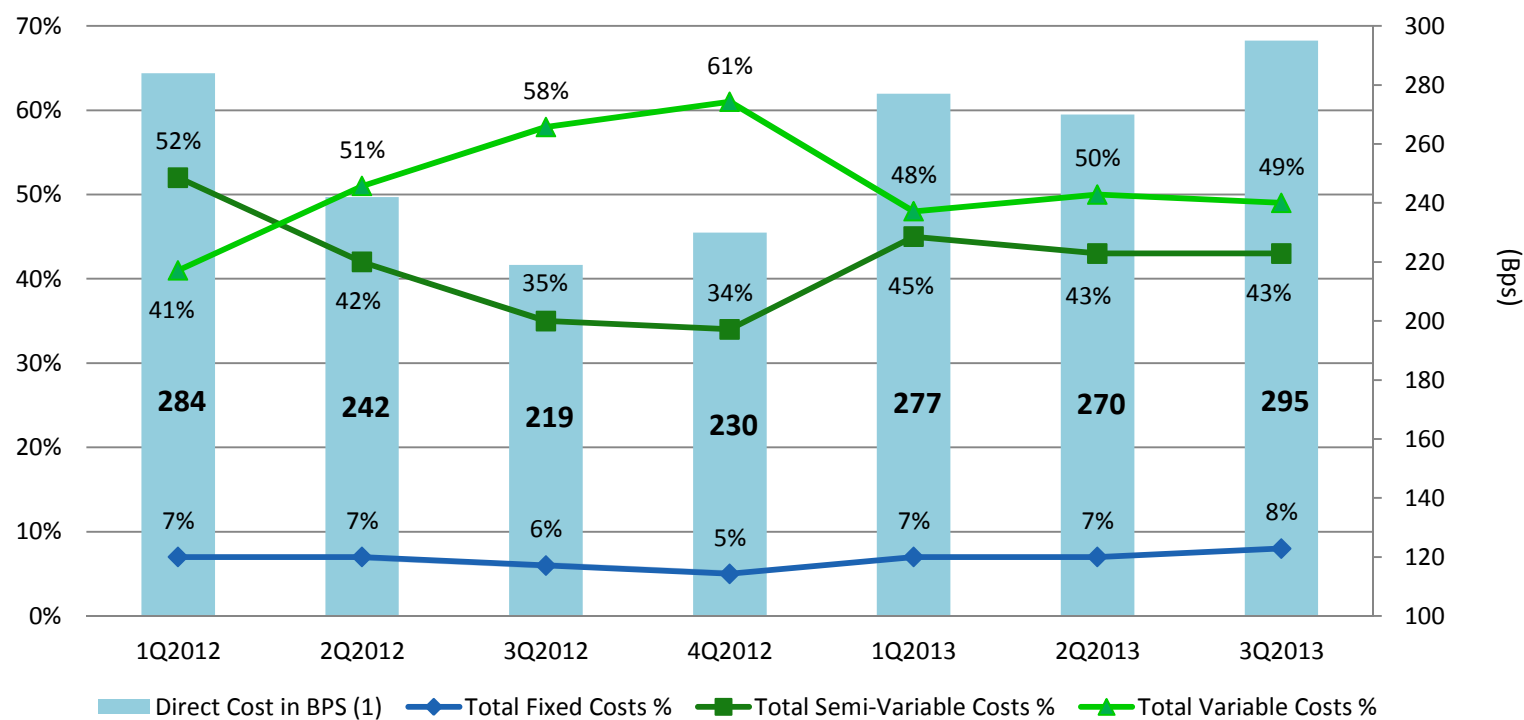


Held for Sale Mortgage Production Volume (000's) Under Growth Scenario (2)



Production Costs

Composition of Costs



Franchise Value

- Established and growing financial institution concentrated in the Pacific Northwest
- Leading regional Single Family mortgage lender
- Focus on business diversification: growth of Commercial & Consumer Banking to balance Mortgage Banking earnings
- Superior historical returns on equity due to high noninterest income
- Attractive valuation transition opportunity as company diversifies

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[Appendix]

Management Team

Executive	Joined Company	Years in Industry	Relevant Experience
Mark K. Mason <i>Director, Vice Chairman, President and Chief Executive Officer</i>	September 2009	27	<ul style="list-style-type: none"> 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 <i>Executive Vice President, Chief Accounting Officer</i>	March 2012	13	<ul style="list-style-type: none"> 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 <i>Executive Vice President, Chief Investment Officer</i>	March 2003	24	<ul style="list-style-type: none"> 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 <i>Executive Vice President, Chief Credit Officer</i>	August 2009	22	<ul style="list-style-type: none"> Significant experience in credit administration and special assets for Bank of America and Key Bank Chairs Bank Loan Committee
Godfrey B. Evans <i>Executive Vice President, General Counsel and Chief Administrative Officer</i>	November 2009	32	<ul style="list-style-type: none"> 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 <i>Executive Vice President, Single Family Lending Director</i>	March 2012	28	<ul style="list-style-type: none"> Responsible for all aspects of mortgage banking originations, operations and servicing Previously with MetLife Home Loans
Richard W. H. Bennion <i>Executive Vice President, Residential Lending Director</i>	June 1977	36	<ul style="list-style-type: none"> 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 <i>Executive Vice President, Commercial Real Estate Lending Director</i>	September 2012	26	<ul style="list-style-type: none"> 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
David Straus <i>Executive Vice President, Commercial Banking</i>	November 2013	40	<ul style="list-style-type: none"> Responsible for all aspects of commercial lending Founder and past CEO of Fortune Bank Past chairman of Washington Bankers Association
Jeff Newgard <i>Executive Vice President, Eastern Region President</i>	November 2013	16	<ul style="list-style-type: none"> Responsible for management and strategic expansion in Central and Eastern Washington Past CEO of Yakima National Bank

Basel III

Estimated Capital Ratios under Basel III – September 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⁾	10.9%	8.3%	11.7%	8.6%
Tier 1 Risk-Based Capital	6.0%	8.5% ⁽²⁾	17.3%	12.8%	14.6%	10.4%
Total Risk-Based Capital	10.0%	10.5% ⁽²⁾	18.5%	14.0%	15.7%	11.6%

⁽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