

Earnings Presentation

First Quarter 2011

April 27, 2011

Presenters:

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FBC
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NYSE

Flagstar[®]
Bancorp



Legal Disclaimer

The information contained in this presentation is not intended as a solicitation to buy Flagstar Bancorp, Inc. stock and is provided for general information.

This presentation may include forward-looking statements and include comments with respect to our objectives and strategies, and the results of our operations and our business. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “expects,” “assumes,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning, or future or conditional words such as “assuming,” “will,” “would,” “possible,” “proposed,” “projected,” “positioned,” “vision,” “opportunity,” “should,” “could,” “indicative,” “target” or “may.”

Forward-looking statements provide our expectations or predictions of future conditions, events or results. They are not guarantees of future performance. By their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. These statements speak only as of the date they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made. There a number of factors, many of which are beyond our control that could cause actual conditions, events or results to differ significantly from those described in the forward looking statements. Some of these are:

- Volatile interest rates that impact, amongst other things, (i) the mortgage banking business, (ii) our ability to originate loans and sell assets at a profit, (iii) prepayment speeds and (iv) our cost of funds, could adversely affect earnings, growth opportunities and our ability to pay dividends to shareholders.
- Our ability to maintain capital levels.
- Competitive factors for loans could negatively impact gain on loan sale margins.
- Competition from banking and non-banking companies for deposits and loans can affect our growth opportunities, earnings, gain on sale margins, market share and ability to transform business model.
- Changes in the regulation of financial services companies and government-sponsored housing enterprises, and in particular, declines in the liquidity of the mortgage loan secondary market, could adversely affect business.
- Changes in regulatory capital requirements or an inability to achieve desired capital ratios could adversely affect our growth and earnings opportunities and our ability to originate certain types of loans, as well as our ability to sell certain types of assets for fair market value or to transform business model.
- General business and economic conditions, including unemployment rates, further movements in interest rates, the slope of the yield curve, any increase in fraud and other criminal activity and the further decline of asset values in certain geographic markets, may significantly affect the company's business activities, loan losses, reserves, earnings and business prospects.
- Factors concerning the implementation of proposed enhancements and transformation of business model could result in slower implementation times than we anticipate and negate any competitive advantage that we may enjoy.

When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events.



First Quarter 2011 Highlights

- Net loss to common stockholders of \$(31.7) million, \$(0.06) per share
 - Significant improvement from both 4th quarter 2010 and 1st quarter 2010
- Credit-related expenses declined for the fourth straight quarter
- Continued to de-risk balance sheet, selling additional \$80.3 million of non-performing residential first mortgage loans
- Increased core deposits by 10% from prior quarter
- Strengthened capital and liquidity ratios from prior quarter
- Officially launched commercial banking business line in February
 - Added experienced and proven executives to solidify management team



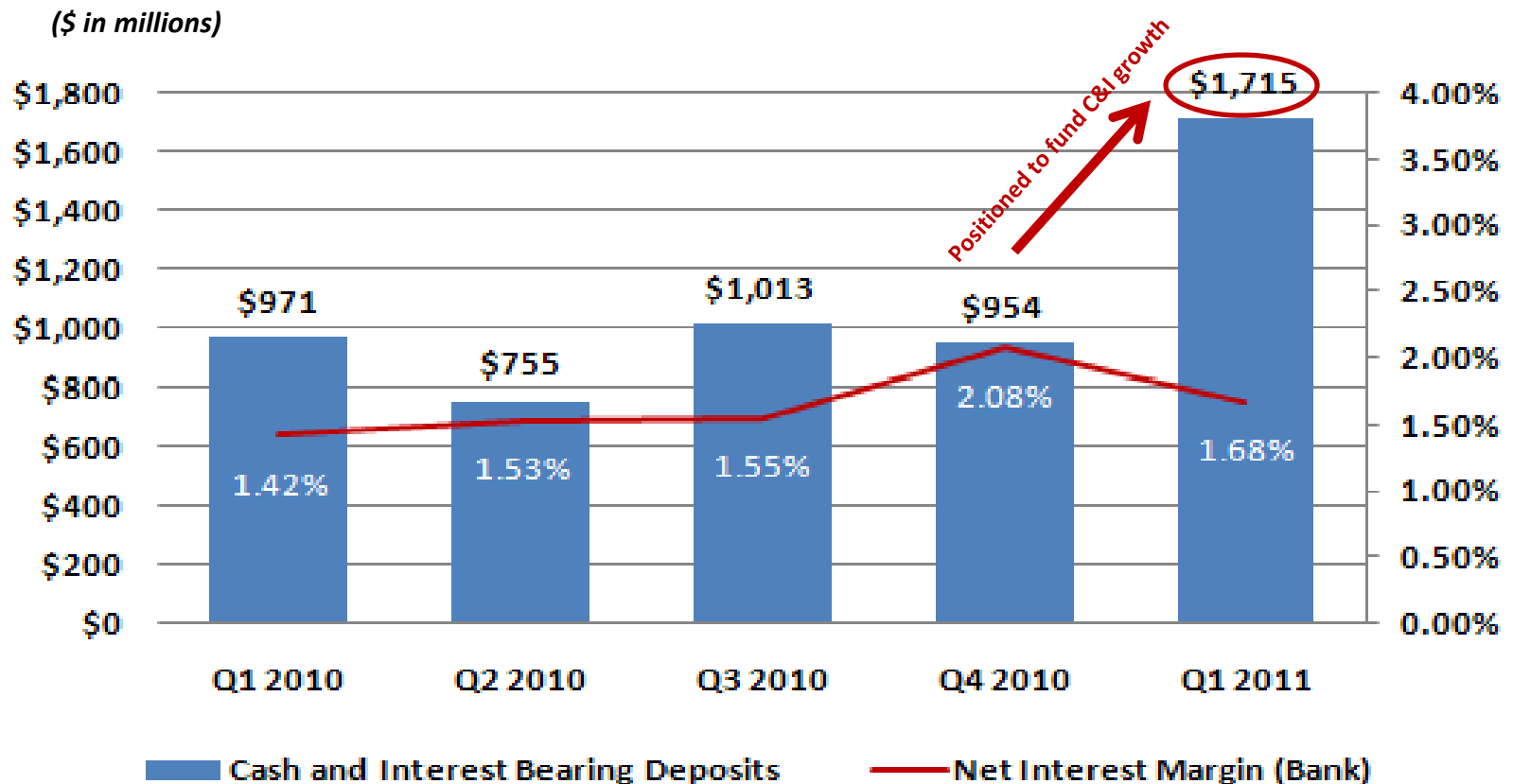
Summary Financial Results

\$ in millions, except for per share data

	Q1 2011	Q4 2010	Q1 2010
Net Interest Income	\$39.8	\$54.4	\$37.7
Provision	\$28.3	\$225.4	\$63.6
Gain on Loan Sale	\$50.2	\$76.9	\$52.6
MSR Income	\$39.3	\$28.1	\$22.8
Net Earnings / (Loss)	(\$31.7)	(\$192.1)	(\$81.9)
Diluted Earnings / (Loss) per Share	(\$0.06)	(\$0.74)	(\$1.05)
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Total Assets	\$13,017.0	\$13,643.5	\$14,332.8
Total Stockholders' Equity	\$1,237.0	\$1,259.7	\$1,104.8
Common Book Value per Share	\$1.78	\$1.83	\$5.85
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NPLs / Gross Loans HFI	6.39%	5.05%	14.99%
NPAs / Total Assets	4.26%	4.35%	9.30%
ALLL / NPLs	73.61%	86.05%	47.35%
ALLL / Gross Loans HFI	4.70%	4.35%	7.10%
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Tier 1 Capital Ratio	9.87%	9.61%	9.39%
Total Risk Based Capital Ratio	20.51%	18.55%	17.98%
Total Equity / Total Assets	9.50%	9.23%	7.71%

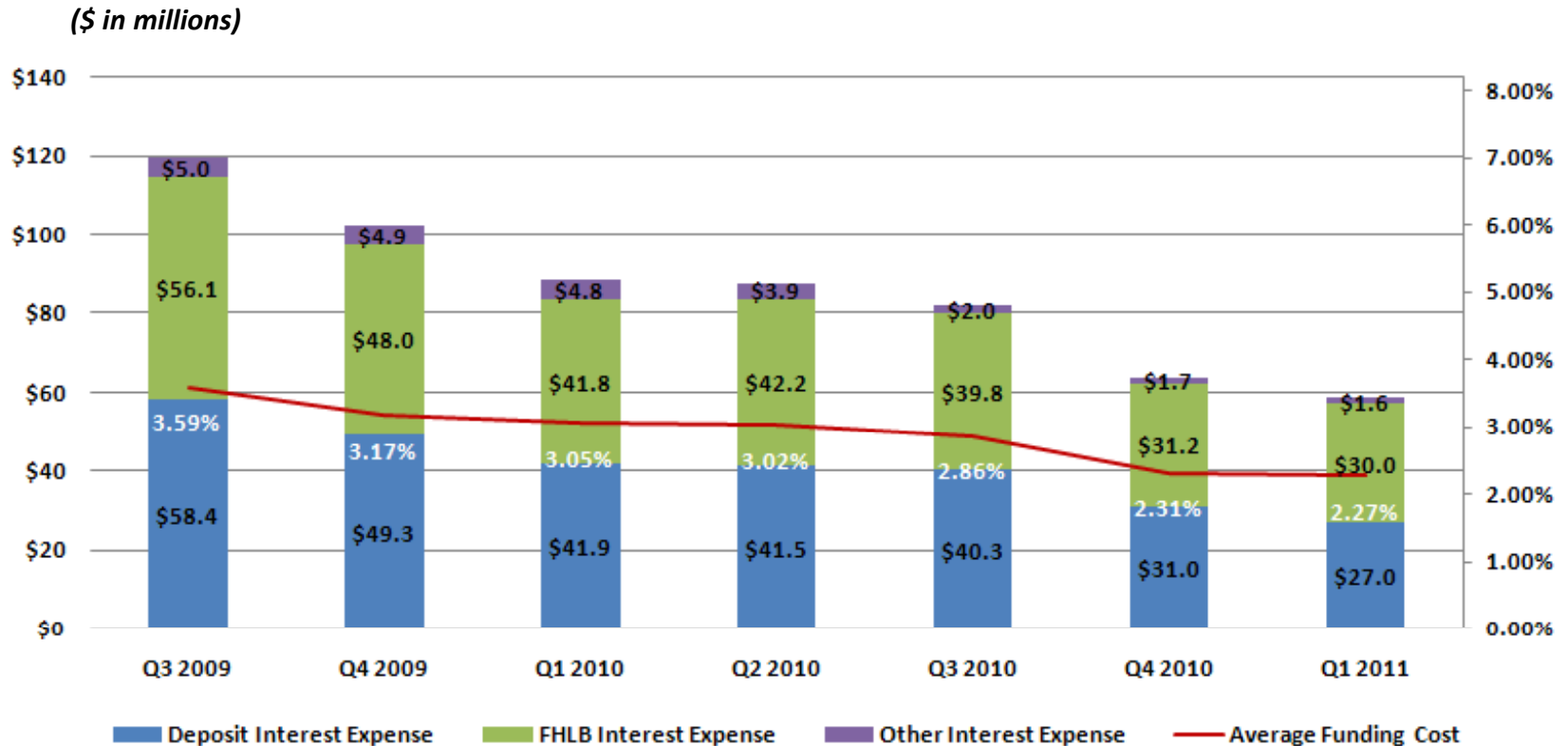
Net Interest Margin

-- Bank net interest margin declined temporarily due to the increased short-term liquidity from sales of non-performing loans, seasonal pay-downs and reduced mortgage production...



Cost of Funds

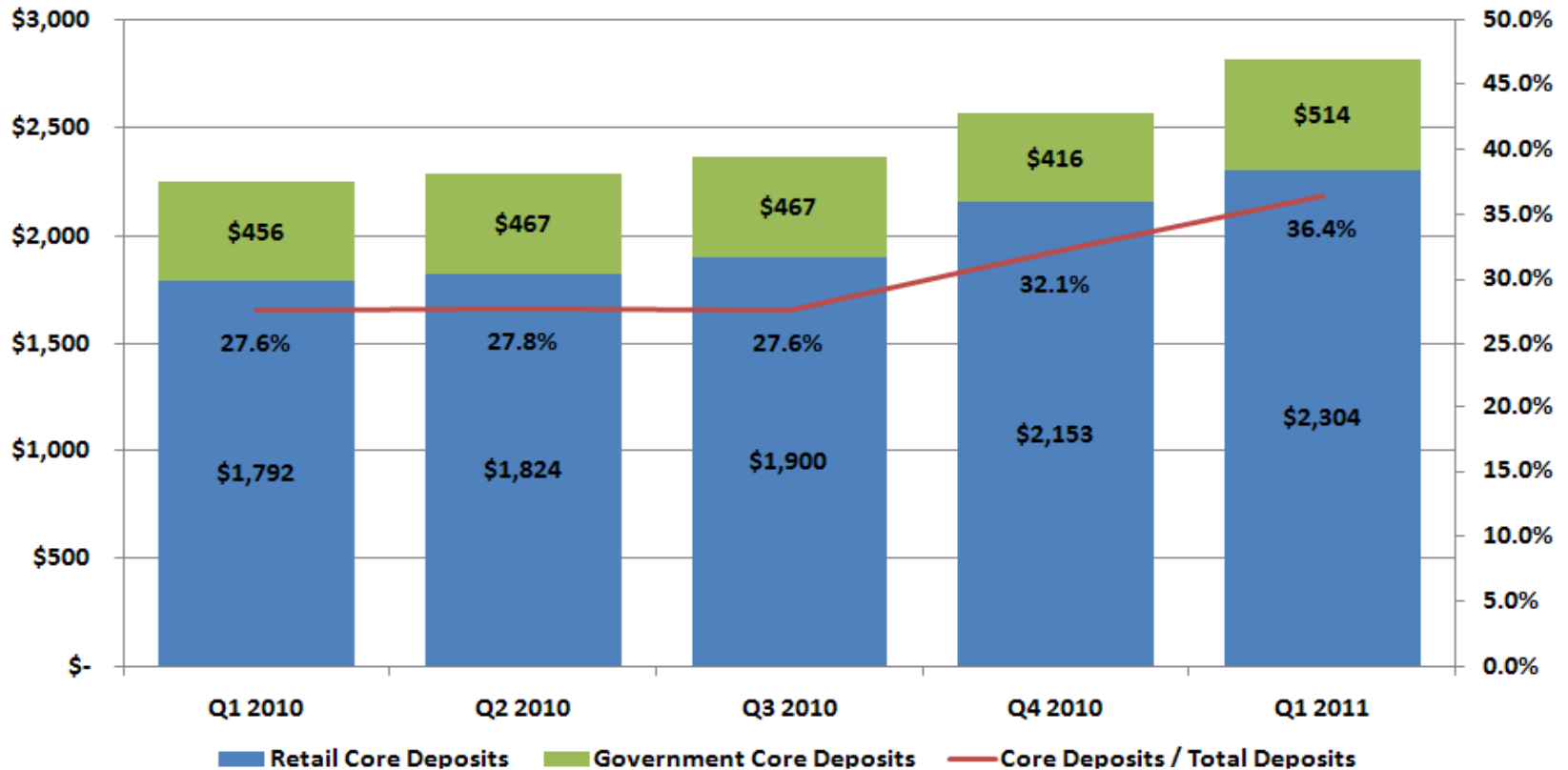
-- Average cost of funds continues to steadily decline...



Core Deposits

-- Steady growth in core deposits, driven by increases in both retail and government core...

(\$ in millions)

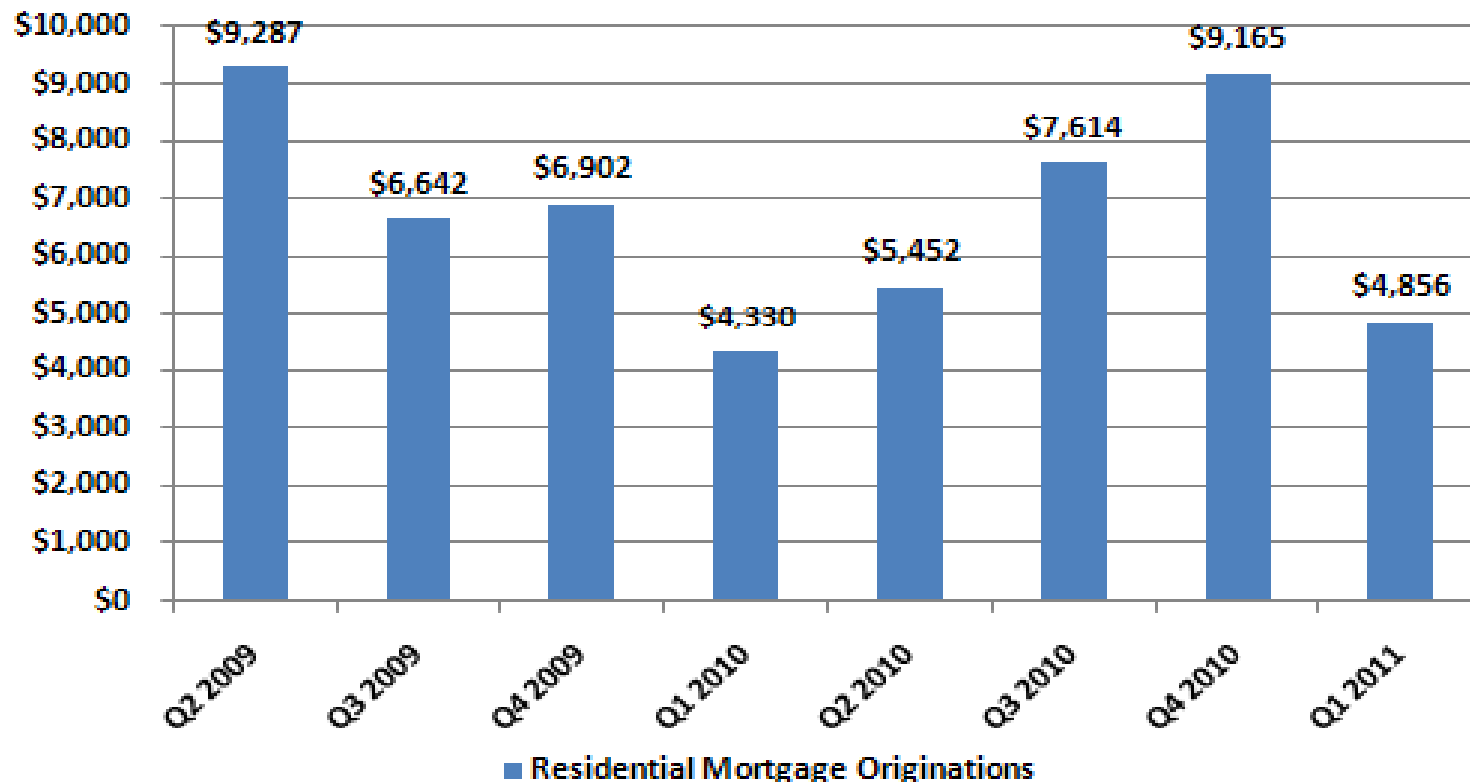


Note: Includes checking accounts, savings accounts, and money market accounts (excludes custodial accounts). If CDs \$100,000 and under were included as core deposits, the core deposit / total deposit ratio would have been 57.7%

Residential Mortgage Originations

-- First quarter mortgage origination volume decreased from prior quarter, reflecting seasonality and slow-down of mortgage industry...

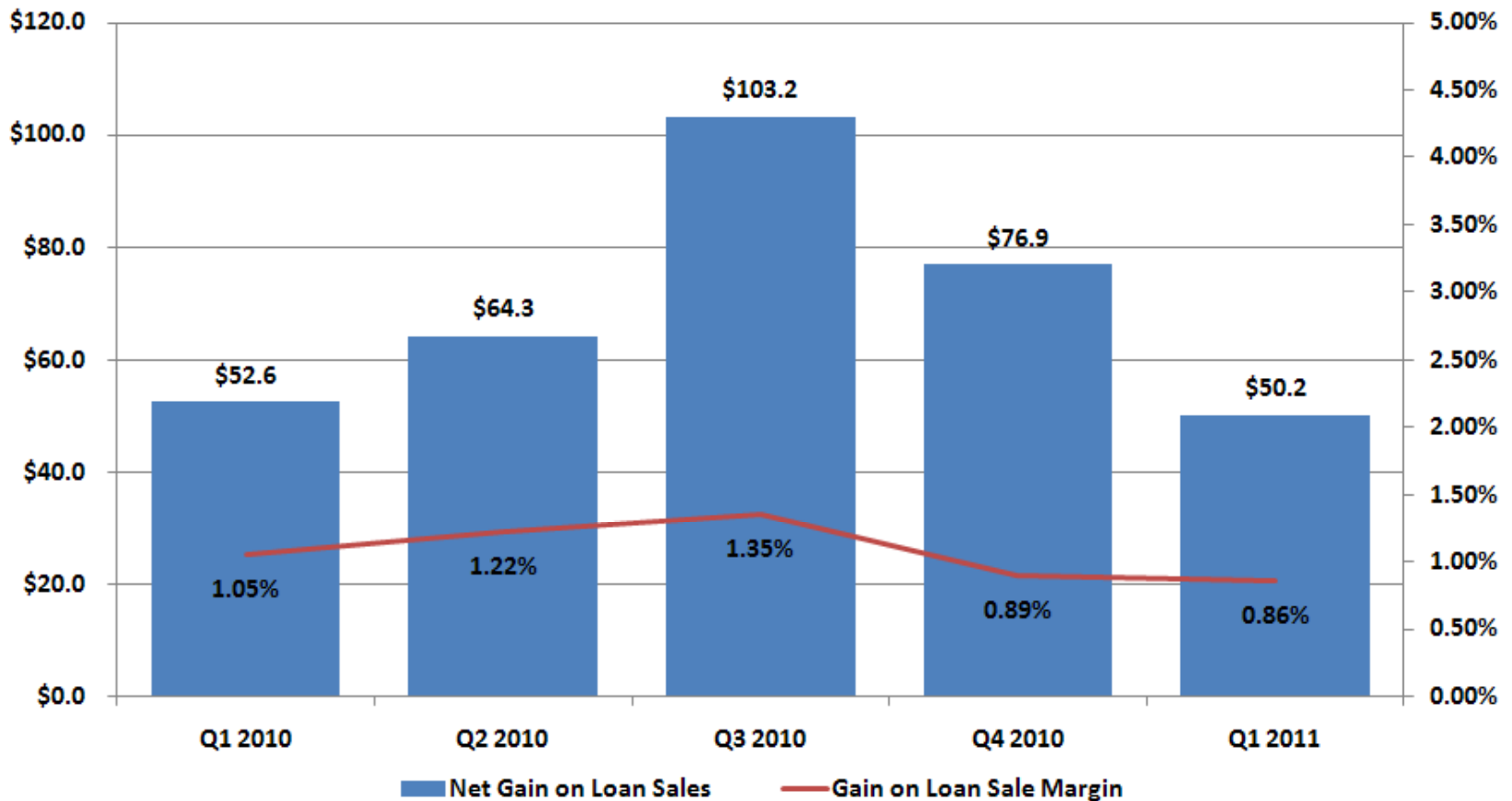
(\$ in millions)



Gain on Loan Sales

-- First quarter gain on loan sale income decreased given lower rate lock commitments, while margin remained relatively flat from prior quarter level...

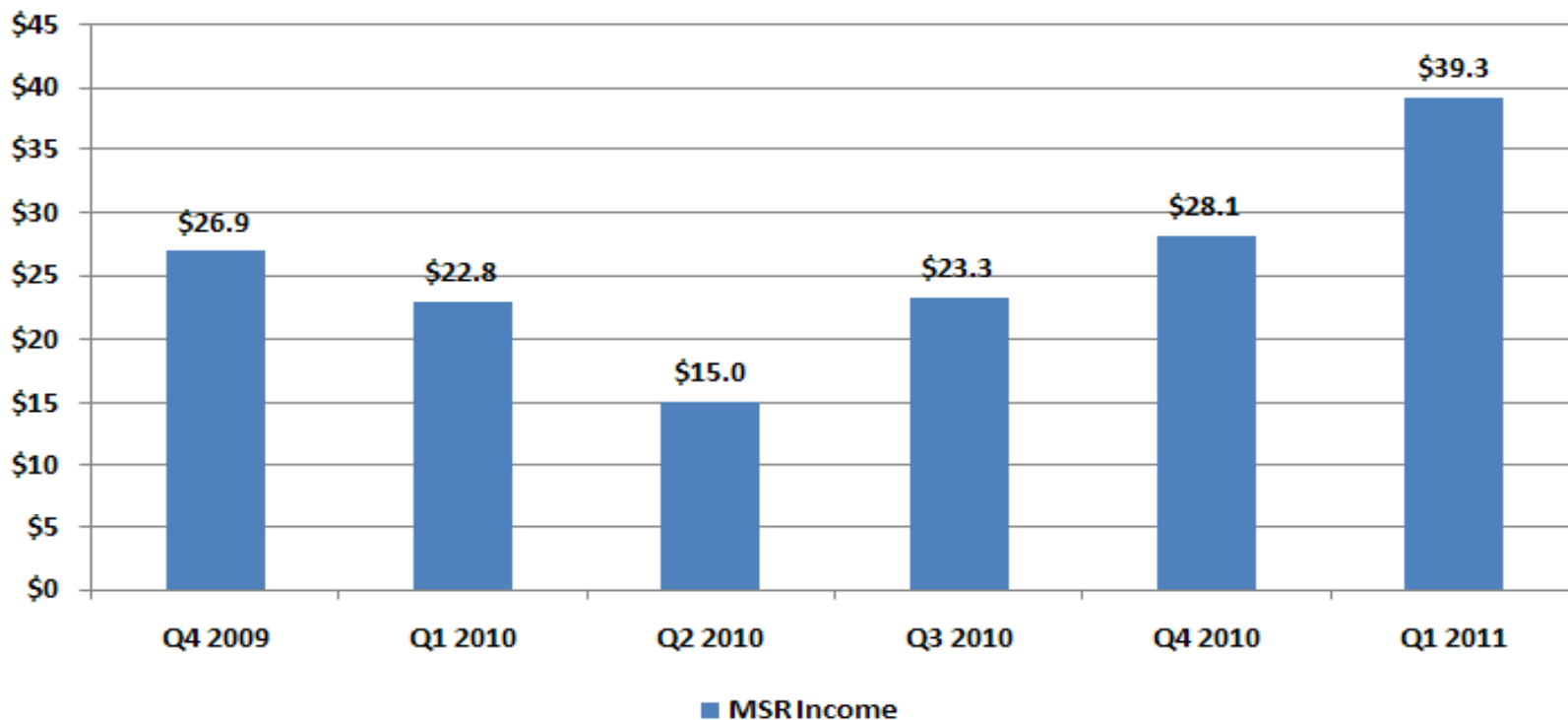
(\$ in millions)



Mortgage Servicing Rights (MSR) Income

-- The decrease in gain on sale and loan fee income during the quarter was partially offset by an increase in mortgage servicing right income...

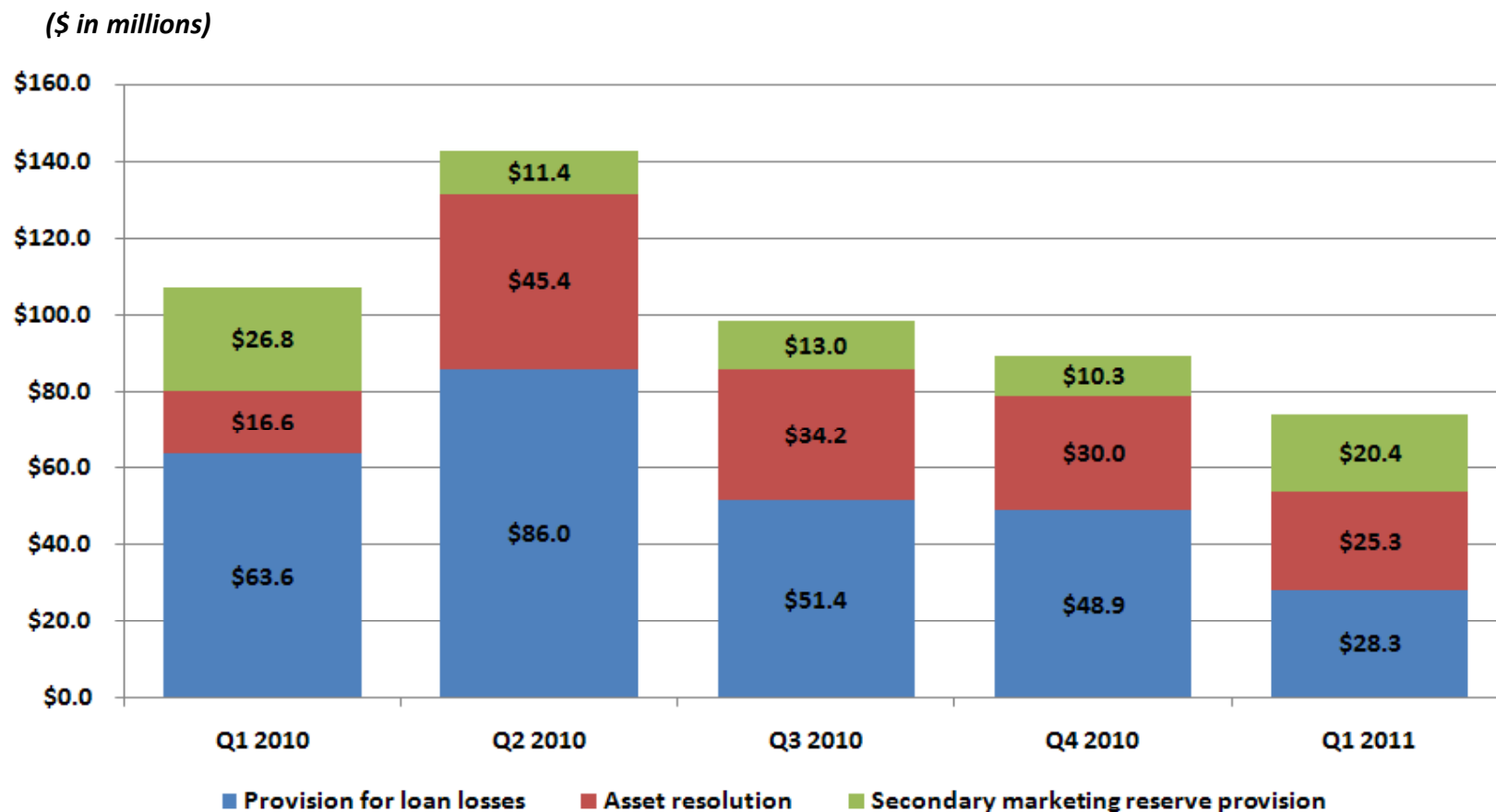
(\$ in millions)



Note: MSR income includes net loan administration income and net gain or loss on trading securities

Credit-Related Expenses

-- Credit-related expenses decreased for the fourth straight quarter...



Note: Provision for Q4 2010 excludes \$176.5 million related to a loss on the sale of \$474 million of non-performing loans and the concurrent transfer of \$104.2 million of such loans to the available-for-sale category

Asset Quality

-- Most of the key asset quality trends continued their improvement in the first quarter...

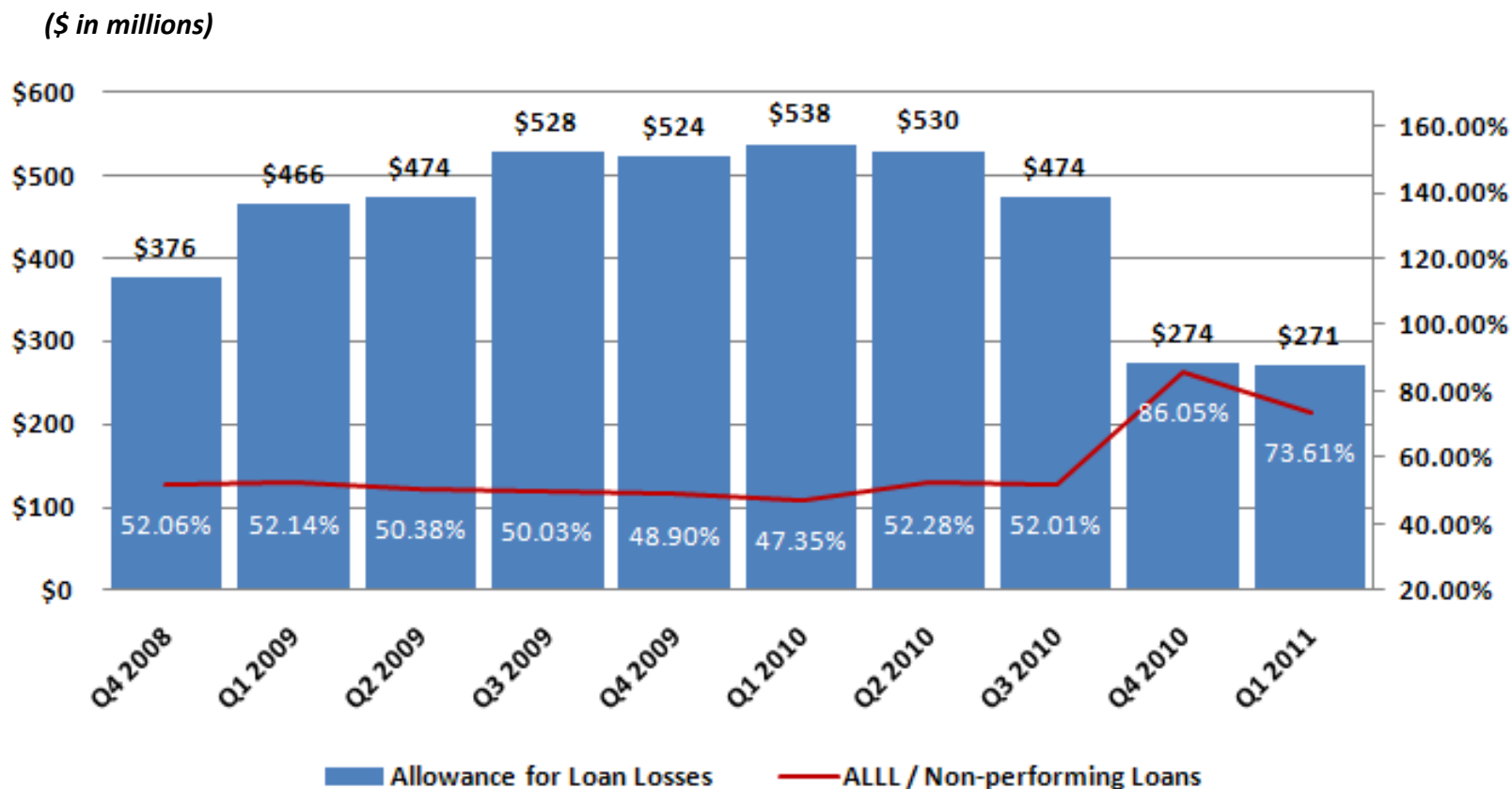
\$ in millions			
	Q1 2011	Q4 2010	Q1 2010
↓ 30 Day Delinquent Loans	\$94.1	\$133.4	\$178.8
60 Day Delinquent Loans	\$56.0	\$53.7	\$95.3
90+ Day Delinquent Loans	\$368.2	\$318.4	\$1,136.2
↓ Non-performing Assets ¹	\$553.5	\$592.9	\$1,332.7
To Total Assets (Bank only)	4.26%	4.35%	9.30%
↓ Classified Assets	\$916.5	\$951.3	\$1,684.9
↓ Provision for Loan Losses ²	\$28.3	\$48.9	\$63.6
↓ Charge-offs, Net of Recoveries	\$31.3	\$425.4	\$49.6
Allowance for Loan Losses	\$271.0	\$274.0	\$538.0
To Loans Held for Investment	4.70%	4.35%	7.10%
To Non-performing Loans	73.61%	86.05%	47.35%
↓ Real Estate Owned	\$146.4	\$151.1	\$162.6

1) Includes non-performing loans available for sale

2) Q4 2010 excludes \$176.5 million related to loss on sale of non-performing loans

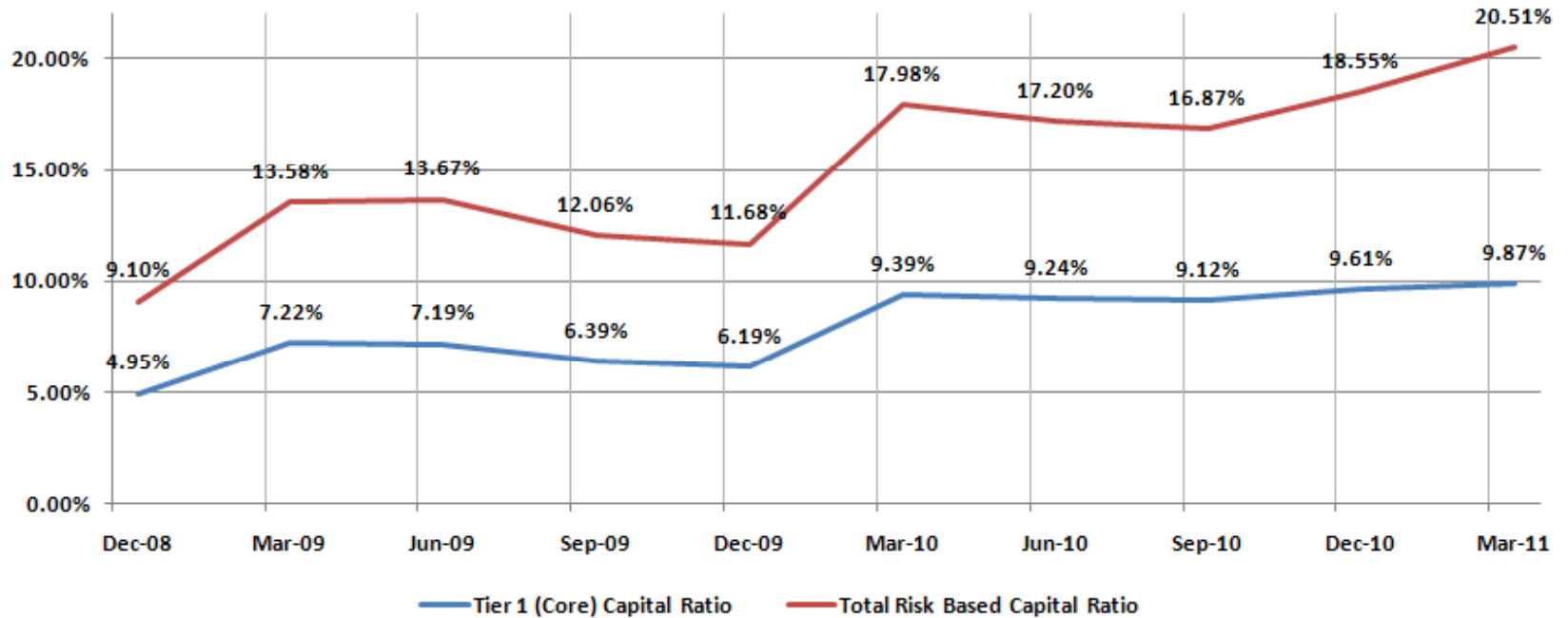
Allowance for Loan Losses

-- Allowance for loan loss coverage remains at a prudent level...



Regulatory Capital Ratios

-- Capital ratios increased from the prior quarter and remain at historically high levels...





Commercial Banking Initiative

- Steve Issa joined Flagstar and oversees Commercial Banking division
- Mike Tierney joined Flagstar and oversees Retail Banking division
- Dan Landers joined Flagstar as Chief Credit Officer
- 3 teams in place covering Michigan, New England and Specialty Lending
- Selectively hired over 30 professionals to support initiative, including lending, credit and operations
- Established commercial credit approval matrix and credit policy committee
- New relationship managers bring established and familiar client base

J.D. Power and Associates Study Results

- Flagstar tied for 1st in customer satisfaction for the North Central Region in the 2011 J.D. Power and Associates Retail Banking Satisfaction StudySM
- Marks second consecutive year Flagstar has ranked highest in its region
- Region includes banks in Michigan, Indiana, Ohio, Kentucky and West Virginia
- Flagstar improved its overall score from 800 in 2010 to 802 in 2011
- Score of 802 ranks 37 points above the regional average



Disclaimer: Flagstar Bank received the highest numerical score among retail banks in the North Central region in the proprietary J.D. Power and Associates 2010-2011 Retail Banking Satisfaction StudiesSM, tied in 2011. 2011 study based on 51,620 total responses measuring 28 providers in the North Central region (IN, KY, MI, OH, WV) and measures opinions of consumers with their primary banking provider. Proprietary study results are based on experiences and perceptions of consumers surveyed in January 2011. Your experiences may vary. Visit jdpower.com.



2011 Outlook

	2011 Outlook	
	As of April 27, 2011	As of January 25, 2011
Target asset size	\$13.8 - \$14.8 billion	\$14.3 - \$15.5 billion
Residential mortgage loan originations	\$21 - \$25 billion	\$21 - \$25 billion
Loan sales	\$20 - \$24 billion	\$20 - \$24 billion
Gain on loan sale margin	85 - 115 bps	85 - 115 bps
Net interest margin (bank)	200 - 260 bps	200 - 260 bps
Provision expense	\$85 - \$120 million	\$85 - \$120 million

Appendix



Full Income Statement

\$ in millions, except for per share data

	Q1 2011	Q4 2010	Q1 2010
Net Interest Income	\$39.8	\$54.4	\$37.7
Provision for Loan Losses	28.3	225.4	63.6
Net Interest Income after Provision	11.5	(171.0)	(25.9)
Noninterest Income	96.3	136.5	72.0
Noninterest Expense	134.5	150.8	123.3
Net Earnings (before tax provision)	(26.7)	(185.3)	(77.2)
Provision for Income Taxes	0.3	2.1	0.0
Net Earnings (before preferred dividends)	(27.0)	(187.4)	(77.2)
Preferred Dividends	(4.7)	(4.7)	(4.7)
Net Earnings	(\$31.7)	(\$192.1)	(\$81.9)
Diluted Loss per Share	(\$0.06)	(\$0.74)	(\$1.05)

Pre-tax, Pre-credit-cost Income

\$ in millions					
	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Loss before tax provision and dividends	(\$26.7)	(\$185.3)	(\$17.9)	(\$92.3)	(\$77.2)
Add back:					
Provision for loan losses	28.3	225.4	51.4	86.0	63.6
Asset resolution	25.3	30.0	34.2	45.4	16.6
Other than temporary impairment on investments AFS	0.0	1.3	0.0	0.4	3.3
Secondary marketing reserve provision	20.4	10.3	13.0	11.4	26.8
Write down of residual interests	2.4	(3.8)	4.7	4.3	2.7
Reserve increase for reinsurance	0.0	0.0	0.0	0.4	0.0
Total credit related costs:	76.5	263.3	103.3	148.0	112.9
Pre-tax, pre credit-cost income	\$49.8	\$78.0	\$85.4	\$55.7	\$35.7

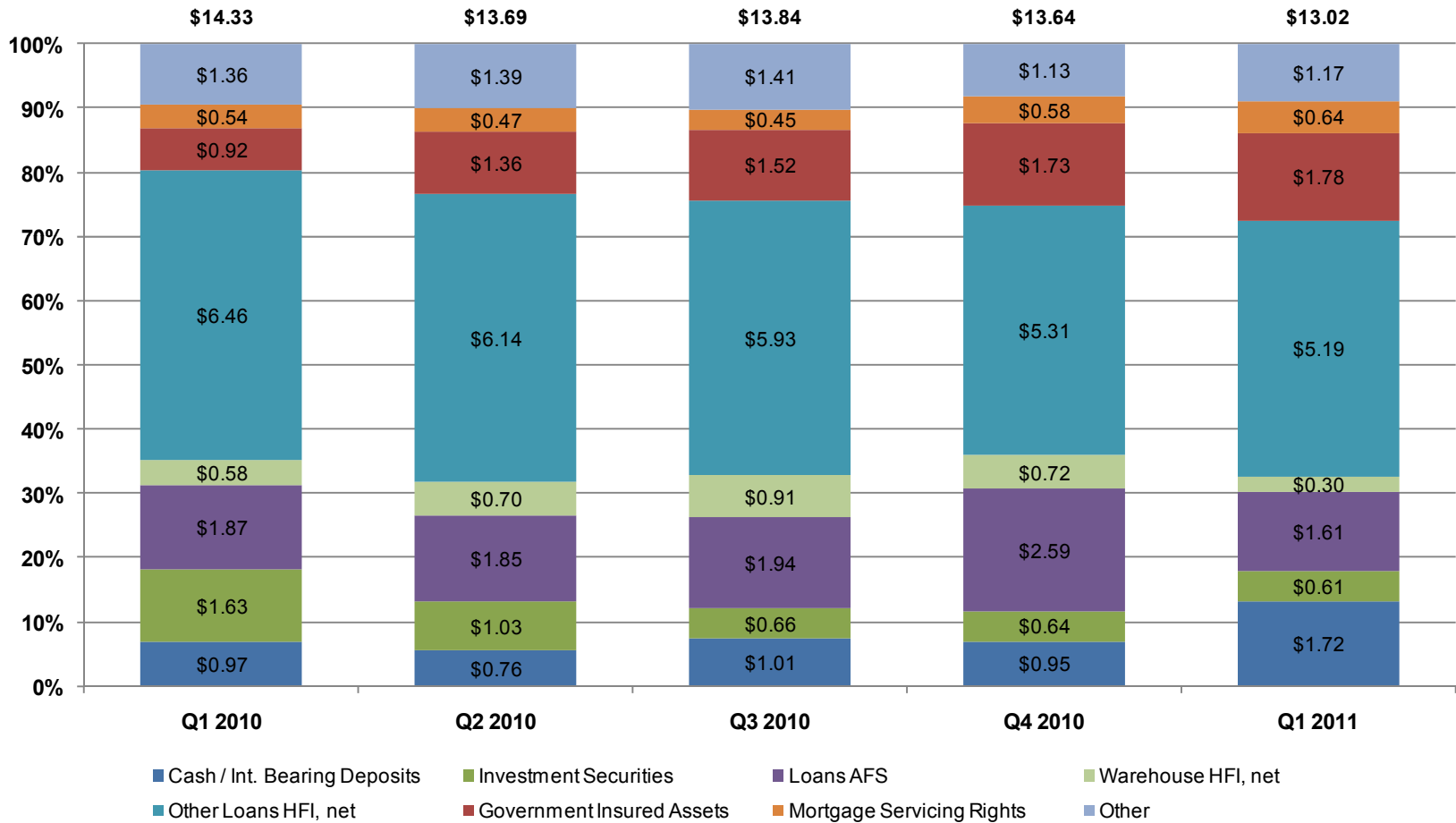
Selected Balance Sheet Items

\$ in millions, except for per share data

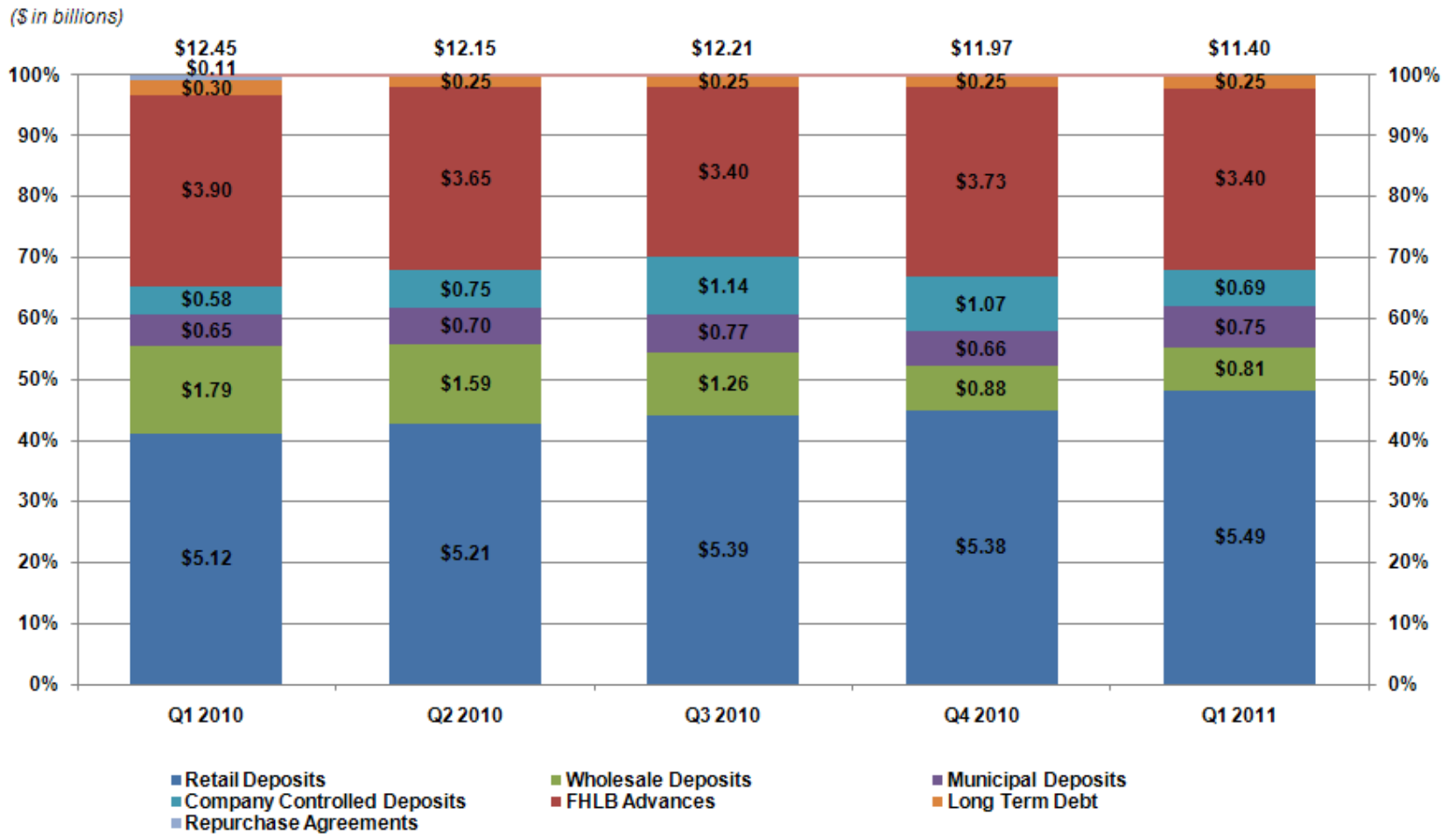
	Q1 2011	Q4 2010	Q1 2010
Total assets	\$13,017.0	\$13,643.5	\$14,332.8
First mortgage loans	\$3,755.0	\$3,792.7	\$4,819.0
Second mortgage loans	165.2	174.8	210.2
Commercial real estate loans	1,170.2	1,250.3	1,555.2
Warehouse loans	303.8	720.8	576.7
Consumer lending	336.0	358.0	407.7
Non-real estate commercial loans	34.5	8.9	11.9
Investment loan portfolio	\$5,764.7	\$6,305.5	\$7,580.7
Loans held for sale	\$1,609.5	\$2,585.2	\$1,873.7
Securities classified as trading	160.7	160.8	893.3
Securities classified as available for sale	452.4	475.2	733.8
Mortgage servicing rights	635.1	580.3	543.4
Government insured repurchased assets	1,781.8	1,731.3	927.0

Asset Composition

(\$ in billions)



Funding Composition



Deposit Mix

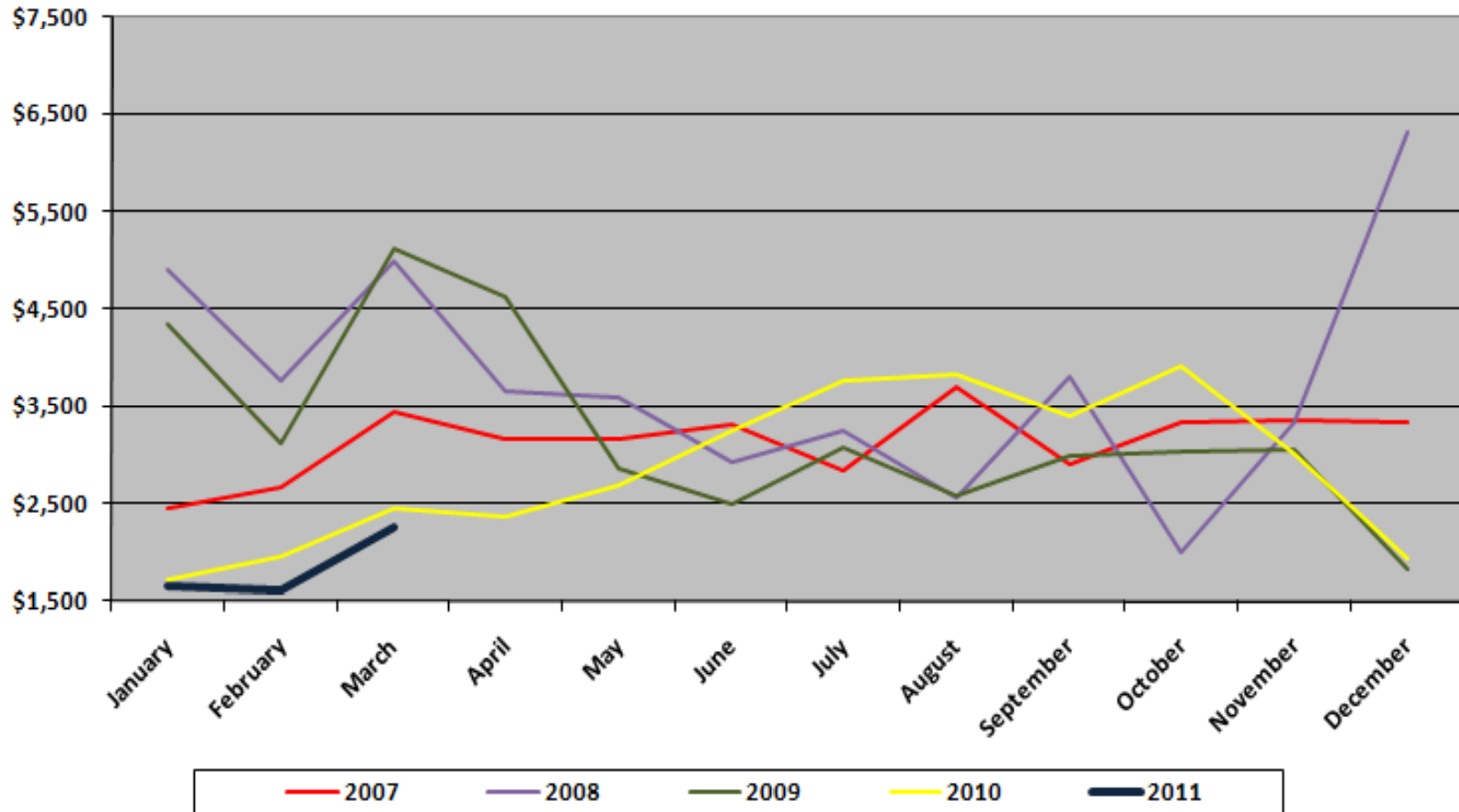
(\$ in millions)	As of Mar 31, 2011		As of Dec 31, 2010		As of Mar 31, 2010	
	Balance	Rate	Balance	Rate	Balance	Rate
Retail Deposits:						
Demand deposits	\$ 613	0.25%	\$ 590	0.26%	\$ 539	0.40%
Savings deposits	1,127	0.86%	1,012	0.90%	689	0.86%
Money market deposits	564	0.75%	552	0.81%	563	0.94%
Certificates of deposits	<u>3,189</u>	1.84%	<u>3,231</u>	2.01%	<u>3,330</u>	2.96%
Total retail deposits	5,493	1.35%	5,384	1.48%	5,122	2.18%
Core retail deposits ¹ / retail deposits	41.94%		39.99%		34.98%	
Government Banking Deposits:						
Demand deposits	91	0.45%	79	0.37%	375	0.40%
Savings deposits	423	0.65%	338	0.65%	80	0.50%
Certificates of deposits	<u>239</u>	0.85%	<u>247</u>	0.94%	<u>195</u>	0.98%
Total government banking deposits	754	0.69%	664	0.72%	650	0.59%
Company controlled deposits	690	0.00%	1,066	-	581	-
Wholesale deposits	<u>812</u>	3.05%	<u>883</u>	3.04%	<u>1,793</u>	2.67%
Total deposits	<u>\$ 7,749</u>	1.34%	<u>\$ 7,998</u>	1.40%	<u>\$ 8,146</u>	2.01%
Number of banking branches		162		162		162

1) retail core deposits include retail demand, savings and money market

Note: represents the ending balance and rate for period noted

Historical Monthly Lock Volume

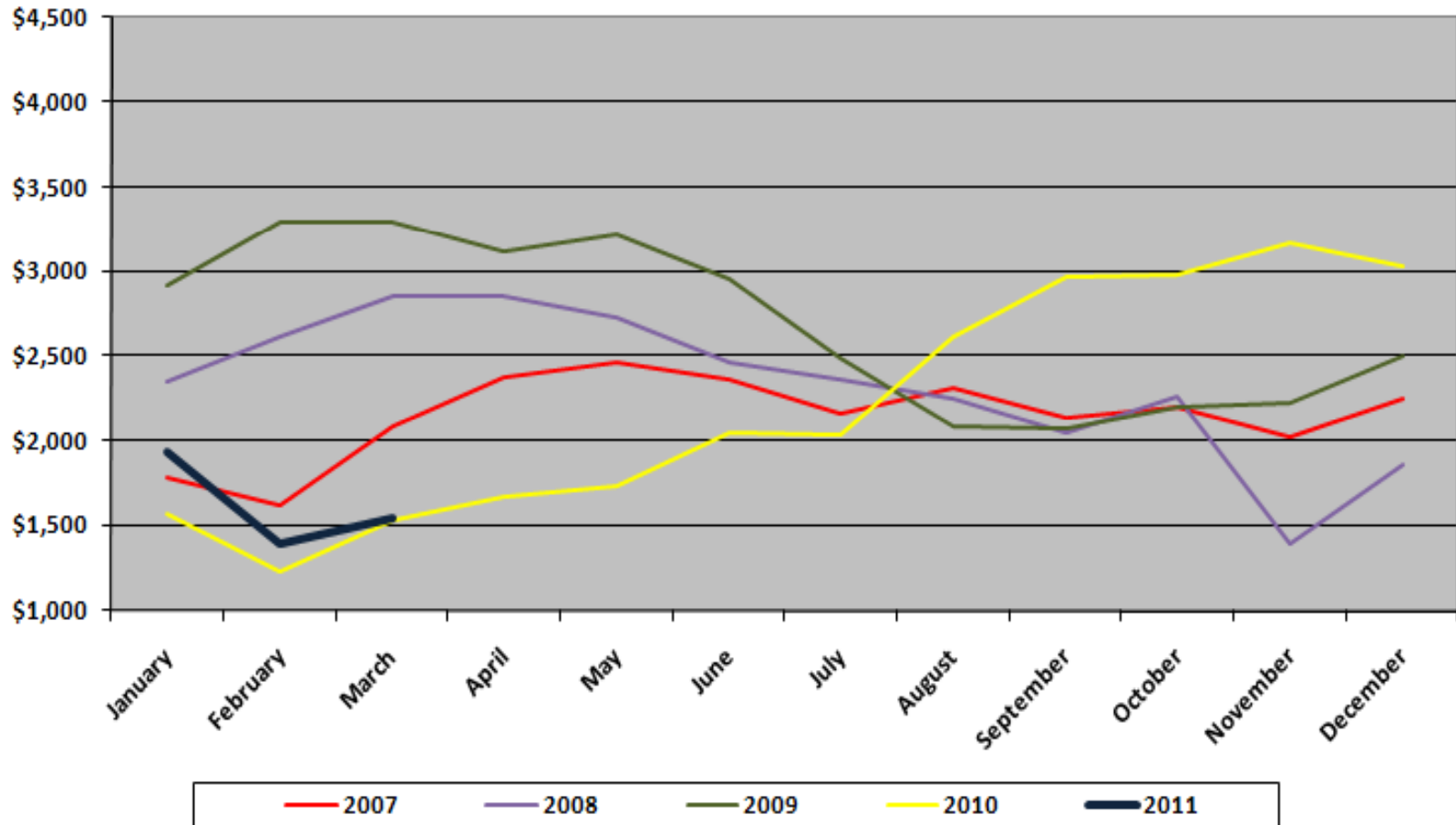
(\$ in millions)



Note: residential mortgage volume

Historical Monthly Closing Volume

(\$ in millions)



Note: residential mortgage volume

First Mortgage Portfolio – by State

As of Mar 31, 2011

\$ in thousands												
State	AFS					HFI						
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	First HELOC	Power Option ARM	Total	% of Total
CA	\$ 24,429	\$ 402,237	\$ -	\$ 426,666	28.9%	\$ 638,982	\$ 395,119	\$ 96,852	\$ 413	\$ 41,094	\$1,172,460	31.5%
FL	6,313	103,044	527	109,884	7.5%	301,714	118,728	28,418	1,733	17,215	467,807	12.5%
MI	3,321	68,124	41	71,486	4.8%	285,164	57,476	21,322	769	4,240	368,970	9.9%
WA	5,846	58,701	-	64,547	4.4%	106,782	60,328	9,887	306	7,957	185,260	5.0%
AZ	1,035	37,786	-	38,820	2.6%	93,667	54,127	7,826	-	5,309	160,928	4.3%
TX	5,504	101,664	-	107,168	7.3%	53,033	54,095	3,167	-	2,566	112,860	3.0%
CO	4,049	31,849	350	36,248	2.5%	73,573	19,743	11,286	328	3,115	108,044	2.9%
MD	4,547	46,418	-	50,965	3.5%	55,766	29,533	12,589	-	1,199	99,088	2.7%
VA	2,165	33,185	-	35,350	2.4%	51,253	26,316	7,792	-	3,131	88,491	2.4%
NY	6,973	40,220	-	47,194	3.2%	34,690	37,129	4,229	-	758	76,806	2.1%
NV	-	8,896	-	8,896	0.6%	50,330	19,262	3,514	-	1,189	74,296	2.0%
GA	1,280	32,902	1,469	35,652	2.4%	37,247	21,246	9,293	-	374	68,160	1.8%
NJ	4,213	29,066	81	33,360	2.3%	33,440	23,031	5,658	499	2,413	65,042	1.7%
OH	1,315	11,314	-	12,628	0.9%	44,812	13,979	1,037	76	71	59,976	1.6%
IL	3,314	25,860	-	29,175	2.0%	33,462	22,292	3,037	-	-	58,791	1.6%
All Other	24,488	338,606	2,860	365,955	24.8%	310,381	196,293	42,448	1,325	10,423	560,870	15.0%
Total :	\$ 98,793	\$1,369,871	\$ 5,328	\$1,473,993	100%	\$2,204,297	\$1,148,696	\$ 268,353	\$ 5,448	\$ 101,053	\$3,727,848	100%

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools

First Mortgage Portfolio – by Vintage

As of Mar 31, 2011

\$ in thousands

Year	AFS					HFI						
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	First HELOC	Power Option ARM	Total	% of Total
Older	\$ 432	\$ 121	\$ -	\$ 553	0.0%	\$ 66,351	\$ 29,034	\$ 3,872	\$ -	\$ 369	\$ 99,626	2.7%
2003	527	-	-	527	0.0%	222,031	26,391	13,089	-	2,411	263,923	7.1%
2004	-	-	41	41	0.0%	666,120	36,347	24,459	3,375	233	730,535	19.6%
2005	-	973	527	1,500	0.1%	656,470	53,136	36,652	1,355	7,193	754,805	20.2%
2006	111	826	1,987	2,923	0.2%	154,177	175,011	41,805	328	20,340	391,662	10.5%
2007	-	6,440	2,774	9,213	0.6%	394,898	664,150	142,543	391	70,507	1,272,488	34.1%
2008	-	15,134	-	15,134	1.0%	26,353	90,436	5,932	-	-	122,721	3.3%
2009	-	7,510	-	7,510	0.5%	9,806	61,385	-	-	-	71,191	1.9%
2010	-	4,862	-	4,862	0.3%	4,763	12,806	-	-	-	17,569	0.5%
2011	97,722	1,334,005	-	1,431,728	97.1%	3,329	-	-	-	-	3,329	0.1%
Total :	\$ 98,793	\$1,369,871	\$ 5,328	\$1,473,993	100%	\$2,204,297	\$1,148,696	\$ 268,353	\$ 5,448	\$ 101,053	\$3,727,848	100%

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools

First Mortgage Portfolio – by Original FICO

As of Mar 31, 2011

\$ in thousands

FICO	AFS					HFI						
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	First HELOC	Power Option ARM	Total	% of Total
No Score	\$ -	\$ 6,839	\$ -	\$ 6,839	0.5%	\$ 17,160	\$ 19,724	\$ 233	\$ -	\$ 782	\$ 37,900	1.0%
< 580	-	8,134	-	8,134	0.6%	24,845	39,657	2,970	-	-	67,472	1.8%
580 - 619	-	10,810	-	10,810	0.7%	33,150	50,583	2,079	-	-	85,812	2.3%
620 - 659	10,337	141,854	-	152,191	10.3%	137,965	92,830	13,042	132	5,219	249,187	6.7%
660 - 699	22,650	232,057	472	255,178	17.3%	613,666	263,474	93,554	480	26,653	997,827	26.8%
> 699	65,806	970,178	4,857	1,040,841	70.6%	1,377,510	682,429	156,475	4,837	68,400	2,289,651	61.4%
Total :	\$ 98,793	\$1,369,871	\$ 5,328	\$1,473,993	100%	\$2,204,297	\$1,148,696	\$ 268,353	\$ 5,448	\$ 101,053	\$3,727,848	100%

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools

First Mortgage Portfolio – by LTV

As of Mar 31, 2011

\$ in thousands

LTV	AFS					HFI						
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	First HELOC	Power Option ARM	Total	% of Total
< 70%	\$24,301	\$ 281,889	\$ 510	\$ 306,700	20.8%	\$ 839,336	\$ 400,315	\$ 59,584	\$2,815	\$ 30,481	\$1,332,531	35.7%
70% - 79.99%	12,063	246,655	447	259,165	17.6%	970,759	450,980	114,808	1,754	26,419	1,564,719	42.0%
80% - 90%	18,269	311,176	2,297	331,743	22.5%	338,575	156,990	76,365	879	39,804	612,613	16.4%
> 90%	44,160	530,152	2,074	576,385	39.1%	55,627	140,412	17,597	-	4,350	217,986	5.8%
Total :	\$98,793	\$1,369,871	\$ 5,328	\$1,473,993	100%	\$2,204,297	\$1,148,696	\$268,353	\$5,448	\$ 101,053	\$3,727,848	100%

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools

HFI First Mortgage Portfolio – by Original FICO and LTV

As of Mar 31, 2011

\$ in thousands

FICO	LTV											
	< 70%			70% - 79.99%			80% - 90%			> 90%		
	Non-performing	Portfolio Balance	% of Balance	Non-performing	Portfolio Balance	% of Balance	Non-performing	Portfolio Balance	% of Balance	Non-performing	Portfolio Balance	% of Balance
No Score	\$377	\$8,184	4.6%	\$1,057	\$6,350	16.6%	\$1,402	\$11,874	11.8%	\$4,179	\$11,491	36.4%
< 580	1,541	10,958	14.1%	1,712	10,437	16.4%	4,807	19,895	24.2%	12,776	26,182	48.8%
580 - 619	960	13,949	6.9%	421	12,032	3.5%	6,175	27,056	22.8%	16,196	32,776	49.4%
620 - 659	3,693	113,331	3.3%	4,080	58,584	7.0%	3,987	35,810	11.1%	13,001	41,463	31.4%
660 - 699	6,335	340,741	1.9%	25,106	424,181	5.9%	17,026	194,604	8.7%	4,310	38,300	11.3%
> 699	14,479	845,368	1.7%	27,784	1,053,136	2.6%	19,817	323,373	6.1%	7,812	67,774	11.5%

Note: non-performing loans include 90 day + matured and non performing accruals, calculated using OTS method. LTV equals current principal balance divided by appraised value at origination.

Legacy Commercial RE Portfolio

As of Mar 31, 2011

\$ in thousands

Property Type	Balance	Percentage of Loans				Total (\$) OTS Delinquent	90+ Days (%) Delinquent	Specific Reserve	General Reserve	Total Reserves
		30 Days	60 Days	90+ Days						
Office	\$291,164	24.88%	\$544	4,118	\$57,898	\$62,560	19.9%	\$27,982	\$10,549	\$38,531
Retail	234,140	20.01%	3,128	-	23,192	26,320	9.9%	9,040	8,483	\$17,524
Shopping Center	247,307	21.13%	346	3,645	10,291	14,282	4.2%	4,537	8,960	\$13,498
Residential Development	40,612	3.47%	-	-	26,490	26,490	65.2%	3,188	1,471	\$4,659
Other	123,879	10.59%	877	425	2,577	3,880	2.1%	1,256	4,488	\$5,745
Non-residential Development	7,566	0.65%	-	-	5,003	5,003	66.1%	464	274	\$738
Industrial	140,468	12.00%	391	-	5,673	6,063	4.0%	952	5,089	\$6,042
Multi-Family	68,590	5.86%	-	-	10,896	10,896	15.9%	278	2,485	\$2,763
Single Family	17,675	1.51%	91	-	3,445	3,536	19.5%	2,148	640	\$2,789
Land	1,384	0.12%	175	-	541	716	39.1%	123	50	\$173
Commercial Loans Neg Esc	5,833	0.50%	-	-	-	-	-	-	-	\$0
CIP, Premium, FAS 91	(8,419)	-0.72%	-	-	-	-	-	-	-	-
Totals	\$1,170,198	100.00%	\$5,552	\$8,189	\$146,005	\$159,747	245.9%	\$49,969	\$42,492	\$92,461

Legacy Commercial RE Portfolio – by State

As of Mar 31, 2011

\$ in thousands

State	Office	Retail	Shopping Center	Residential Development	Other	Non-Residential Development	Industrial / Warehouse	Multi-family	Total
MI	\$153,718	\$117,613	\$85,923	\$8,497	\$120,582	\$1,237	\$75,628	\$55,400	\$618,598
GA	29,379	28,979	83,533	3,392	6,512	-	7,077	3,400	162,272
CA	49,814	38,115	11,119	380	3,978	-	38,856	1,634	143,896
IN	6,258	29,600	9,736	13,216	446	-	12,094	-	71,351
VA	-	1,324	31,342	-	-	-	-	-	32,667
IL	4,257	-	8,406	11,353	1,513	-	-	-	25,529
KY	18,234	-	-	-	-	-	-	-	18,234
FL	3,341	1,473	1,228	-	693	6,328	2,354	-	15,418
MO	13,074	-	-	-	-	-	-	-	13,074
NY	863	-	3,107	-	5,178	-	-	1,244	10,391
TN	-	5,711	2,369	-	-	-	1,308	-	9,389
NC	6,319	1,393	-	-	-	-	-	-	7,712
WI	1,016	1,574	-	-	1,300	-	732	1,145	5,768
SC	3,577	826	-	156	-	-	-	-	4,560
MN	-	-	-	-	-	-	-	4,438	4,438
Other	1,314	7,532	10,544	3,616	2,736	-	2,419	1,329	29,490
Total	\$291,164	\$234,140	\$247,307	\$40,612	\$142,938	\$7,566	\$140,468	\$68,590	\$1,172,785

Note: reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes commercial letters of credit

Legacy Commercial RE Portfolio – by Vintage

As of Mar 31, 2011

\$ in thousands

Year	Office	Retail	Shopping Center	Residential Development	Other	Non-Residential Development	Industrial / Warehouse	Multi-family	Total
Older	\$11,584	\$10,552	\$11,394	\$303	\$22,439	\$764	\$26,665	\$1,464	\$85,166
2003	12,889	8,565	6,292	-	15,654	-	8,792	4,688	56,880
2004	63,244	15,871	6,896	3,281	10,392	-	7,521	4,791	111,996
2005	28,601	17,769	15,587	90	13,128	335	17,698	19,456	112,663
2006	53,590	46,984	61,777	19,147	38,584	1,822	19,063	13,509	254,478
2007	75,438	53,030	90,061	13,505	26,360	4,644	43,346	17,464	323,850
2008	33,605	70,208	36,404	728	7,573	-	15,993	6,073	170,585
2009	5,258	931	15,587	704	510	-	251	748	23,988
2010	6,725	7,103	3,310	2,853	8,297	-	-	396	28,684
2011	230	3,126	-	-	-	-	1,139	-	4,496
Total	\$291,164	\$234,140	\$247,307	\$40,612	\$142,938	\$7,566	\$140,468	\$68,590	\$1,172,785

Note: reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes commercial letters of credit

Non-Agency Investment Securities AFS Portfolio

As of Mar 31, 2011

\$ in thousands

Investment Name	CUSIP	Current Principal	OTTI Impairment	Mark-to- Market	Net Book Value	Initial			Current		
						M	SP	F	M	SP	F
CWALT 2006-45T1 2A5	02149JAU0	\$29,913	(\$3,999)	(\$2,220)	\$23,694	Aaa	AAA	AAA	Caa3	CCC	C
CWHL 2007-3 A1	12543RAA7	31,942	(1,887)	(1,902)	28,153	NR	AAA	AAA	NR	CCC	C
CWHL 2006-18 1A1	12543WAA6	25,880	(1,174)	(628)	24,078	NR	AAA	AAA	NR	CCC	CC
CWHL 2005-23-A1	126694GU6	32,415	(535)	(79)	31,801	NR	AAA	AAA	NR	BBB	A
CWHL 2006-1 A2	126694XC7	26,695	(1,114)	(1,579)	24,002	NR	AAA	AAA	NR	BB	CCC
CWHL 2007-J1 1A1	12669MAA6	55,872	(5,421)	(5,630)	44,821	NR	AAA	AAA	NR	D	D
CWALT TR 2006-J8	23245LAD2	30,491	(7,973)	(3,023)	19,495	NR	AAA	AAA	NR	D	D
CWALT 2007-1T1 1A1	23246KAA9	35,205	(7,583)	(3,934)	23,687	Aaa	AAA	AAA	Ca	CC	C
GSR 2006-9F 2A1	3622X7AD8	26,212	(1,274)	755	25,694	Aaa	NR	AAA	Caa1	NR	CC
GSR 2006-7F 2A1	36298NAD6	27,610	(1,723)	(1,025)	24,862	Aaa	NR	AAA	Caa1	NR	C
JPMMT 2006-S4 A7	46629SAG7	52,792	(3,266)	(4,811)	44,714	Aaa	AAA	AAA	Caa2	CCC	C
Subtotal		\$375,028	(\$35,951)	(\$24,076)	\$315,002						
GMS Trust 2006-1	33848FAA1	\$142,139	\$ -	(\$12,184)	\$129,956	Aaa	AAA	NR	B3	AAA	NR
Subtotal		\$142,139	\$ -	(\$12,184)	\$129,956						
Total		\$517,167	(\$35,951)	(\$36,260)	\$444,957						

Real Estate Owned Portfolio

As of Mar 31, 2011

\$ in thousands

	Commercial	%	Construction	%	Manufactured Homes	%	Single Family Homes	%	Total	%
Current Month	\$ 49	0.1%	\$ -	-	\$ 32	17.5%	\$4,372	11.3%	\$4,453	3.0%
30 days	3,202	3.7%	-	-	-	-	3,749	9.7%	6,951	4.7%
60 days	4,250	5.0%	-	-	-	-	1,981	5.1%	6,230	4.3%
90 days	2,500	2.9%	-	-	22	12.3%	2,202	5.7%	4,725	3.2%
91 - 180 days	17,605	20.6%	356	89.1%	64	34.9%	13,795	35.6%	31,820	21.7%
181 - 365 days	8,102	9.5%	-	-	-	-	8,683	22.4%	16,785	11.5%
1 - 2 years	4,877	5.7%	-	-	11	5.8%	3,494	9.0%	8,381	5.7%
2 - 3 years	3,848	4.5%	43	10.9%	30	16.3%	413	1.1%	4,334	3.0%
3 - 4 years	-	-	-	-	-	-	49	0.1%	49	0.0%
4 - 5 years	-	-	-	-	-	-	-	-	-	-
5 - 6 years	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	24	13.3%	-	-	24	0.0%
Receivership Loans	41,017	48.0%	-	-	-	-	-	-	41,017	28.0%
Loans to Facilitate	-	-	-	-	-	-	-	-	21,603	14.8%
Total:	\$85,449	100.0%	\$399	100.0%	\$183	100.0%	\$38,737	100.0%	\$146,372	100.0%

Asset Quality by Loan Type - HFI

As of Mar 31, 2011

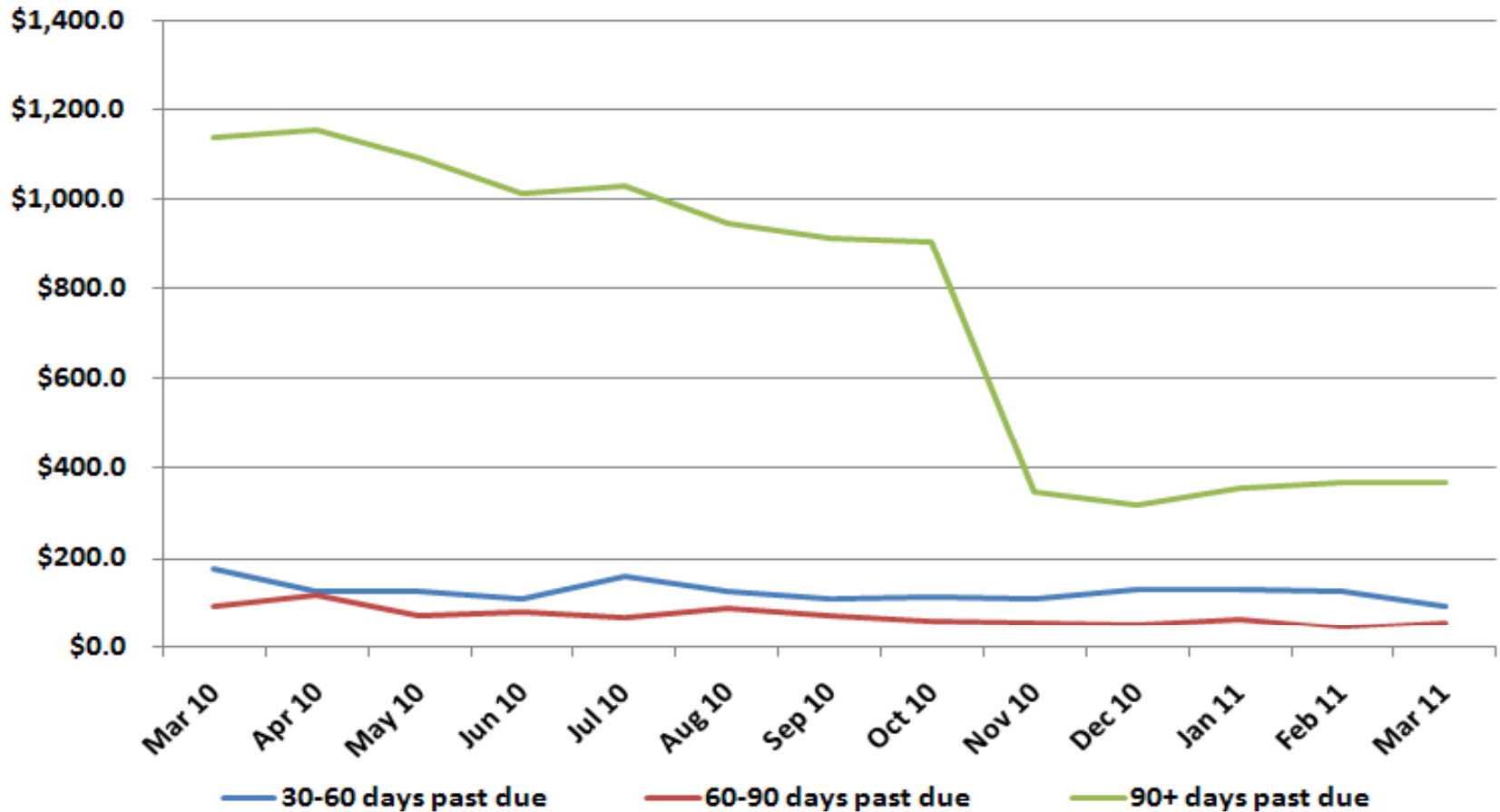
\$ in thousands

Loan Type	Balance	Non-performing Loans ¹	% of Balance	% of Overall Delinquencies	Q1 11 Charge Offs, Net of Recoveries	Total General Reserves	Total Specific Reserves	Total Reserves
Mortgage	\$3,735,644	\$194,790	5.21%	52.91%	\$2,136	\$113,478	\$5,015	\$118,493
Land	16,128	4,241	26.30%	1.15%	2	4,893	3,813	8,706
Construction	3,246	2,467	76.00%	0.67%	-	551	288	839
Commercial RE	1,170,198	146,006	12.48%	39.66%	18,608	42,435	49,969	92,404
Commercial NRE	34,464	4,897	14.21%	1.33%	-	1,302	596	1,898
Warehouse	303,785	28	0.01%	0.01%	(5)	1,040	976	2,016
2nd Mortgage	165,161	8,340	5.05%	2.27%	4,920	21,523	572	22,095
Other Consumer	81,037	279	0.34%	0.08%	601	2,479	-	2,479
Dep Overdraft	-	-	-	-	470	-	-	-
HELOC	255,012	7,104	2.79%	1.93%	4,577	16,888	-	16,888
Other	-	-	-	-	-	5,180	-	5,180
Loans to Facilitate	-	-	-	-	-	-	-	-
Total:	\$5,764,675	\$368,152	6.39%	100.00%	\$31,309	\$209,769	\$61,229	\$271,000

1) Over 90 day delinquent plus matured plus performing non-accrual, calculated using OTS method

Delinquent Loan Trends – Total HFI Portfolio

(\$ in millions)



Note: calculated using OTS method

Non Performing Loans HFI – by State

As of Mar 31, 2011

\$ in thousands

State	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Construction	Consumer	Warehouse	Total	Percent of Total
CA	\$ 52,997	26.6%	\$ 1,734	\$ 1,208	\$ 14,821	\$ -	\$ -	\$ -	\$ -	\$ 70,759	19.2%
FL	29,406	14.8%	694	912	5,699	-	384	-	-	37,095	10.1%
MI	16,482	8.3%	882	2,162	68,648	-	304	141	-	88,619	24.1%
NV	8,772	4.4%	352	240	219	-	509	-	-	10,092	2.7%
AZ	8,696	4.4%	642	424	4,094	-	-	1	-	13,856	3.8%
MD	7,365	3.7%	73	-	-	-	-	-	-	7,438	2.0%
TX	6,817	3.4%	96	-	-	-	-	-	-	6,912	1.9%
OH	6,660	3.3%	32	64	-	-	-	-	-	6,756	1.8%
NY	6,592	3.3%	195	195	-	3,282	-	1	-	10,265	2.8%
GA	4,898	2.5%	100	91	9,544	-	138	2	-	14,772	4.0%
CO	4,351	2.2%	380	-	-	-	-	-	-	4,731	1.3%
WA	4,299	2.2%	1,204	678	-	-	296	-	-	6,477	1.8%
NJ	4,110	2.1%	140	-	389	-	255	-	-	4,894	1.3%
IN	3,281	1.6%	57	33	6,205	1,616	70	31	-	11,293	3.1%
IL	3,208	1.6%	122	132	11,353	-	-	-	-	14,816	4.0%
Other	31,098	15.6%	1,637	965	25,034	-	512	104	28	59,378	16.1%
Total	\$199,031	100.0%	\$8,339	\$7,103	\$146,005	\$4,897	\$2,467	\$279	\$28	\$368,152	100.0%

Note: non-performing loans include 90 day + matured and non-performing accruals, calculated using OTS method

Non Performing Loans HFI – by Vintage

As of Mar 31, 2011

\$ in thousands

State	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Construction	Consumer	Warehouse	Total	Percent of Total
Older	\$3,578	1.8%	\$238	\$443	\$10,734	\$0	\$70	\$8	\$0	\$15,071	4.1%
2003	7,441	3.7%	19	541	2,967	-	310	-	-	11,278	3.1%
2004	13,542	6.8%	519	912	13,421	-	-	11	-	28,405	7.7%
2005	29,351	14.7%	376	1,188	8,257	-	-	57	-	39,230	10.7%
2006	30,667	15.4%	910	461	34,552	-	225	28	-	66,843	18.2%
2007	76,149	38.3%	5,948	2,867	61,532	4,897	1,558	55	-	153,007	41.6%
2008	31,518	15.8%	285	690	4,891	-	304	85	-	37,773	10.3%
2009	6,176	3.1%	44	-	3,615	-	-	1	28	9,864	2.7%
2010	609	0.3%	-	-	3,056	-	-	34	-	3,700	1.0%
2011	-	0.0%	-	-	2,980	-	-	-	-	2,980	0.8%
Total	\$199,031	100.0%	\$8,339	\$7,103	\$146,005	\$4,897	\$2,467	\$279	\$28	\$368,152	100%

Note: non-performing loans include 90 day + matured and non-performing accruals, calculated using OTS method

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