Earnings Presentation
First Quarter 2012

May 1, 2012

Presenters:

Joseph P. Campanelli

Chief Executive Officer

Paul D. Borja

Chief Financial Officer

FBC LISTED NYSE

Flagstar Bancorp

Legal Disclaimer

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts, assumptions, risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement. Examples of forward-looking statements include statements regarding our expectations, beliefs, plans, goals, objectives and future financial or other performance. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and variations of such words and similar expressions are intended to identify such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Except to fulfill our obligations under the U.S. securities laws, we undertake no obligation to update any such statement to reflect events or circumstances after the date on which it is made. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include:

(1) 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 stockholders;
(2) Competitive factors for loans could negatively impact gain on loan sale margins;
(3) 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;
(4) Changes in the regulation of financial services companies and government-sponsored housing enterprises, and in particular, declines in the liquidity of the residential mortgage loan secondary market, could adversely affect our business;
(5) Changes in regulatory capital requirements or an inability to achieve or maintain 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 our business model;
(6) General business and economic conditions, including unemployment rates, movements in interest rates, the slope of the yield curve, any increase in mortgage fraud and other related criminal activity and the further decline of asset values in certain geographic markets, may significantly affect our business activities, loan losses, reserves, earnings and business prospects;
(7) Factors concerning the implementation of proposed refinements and transformation of our business model could result in slower implementation times than we anticipate and negate any competitive advantage that we may enjoy;
(8) Actions of mortgage loan purchasers, guarantors and insurers regarding repurchases and indemnity demands and uncertainty related to foreclosure procedures could adversely affect our business activities and earnings;
(9) The Dodd-Frank Wall Street Reform and Consumer Protection Act has resulted in the elimination of the Office of Thrift Supervision, tightening of capital standards, and the creation of a new Consumer Financial Protection Bureau ("CFPB") and has resulted, or will result, in new laws, regulations and regulatory supervisors that are expected to increase our costs of operations. In addition, the change to the Office of the Comptroller of the Currency ("OCC") as our primary federal regulator may result in interpretations affecting our operations different than those of the Office of Thrift Supervision ("OTS");
(10) Both the volume and the nature of consumer actions and other forms of litigation against financial institutions have increased and to the extent that such actions are brought against us or threatened, the cost of defending such suits as well as potential exposure could increase our costs of operations;
(11) Our compliance with the terms and conditions of the agreement with the U.S. Department of Justice, the impact of performance and enforcement of commitments under, and provisions contained in the agreement, and our accuracy and ability to estimate the financial impact of that agreement, including the fair value of the future payments required, could accelerate our litigation settlement expenses relating thereto;
(12) The downgrade by Standards & Poor's of the long-term credit rating of the U.S. could materially affect global and domestic financial markets and economic conditions, which may affect our business activities, financial condition, and liquidity; and
(13) If we do not regain compliance with the New York Stock Exchange ("NYSE") continued listing requirements, our common stock may be delisted from the NYSE.

All of the above factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all such factors or to assess the effect of each such factor on our business.

Please also refer to Item 1A to Part I of our Annual Report on Form 10-K, which is incorporated by reference herein, for further information on these and other factors affecting us. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore any of these statements included herein may prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

First Quarter 2012 Highlights

- Net loss to common stockholders of $(8.7) million, or $(0.02) per share
  - $206.3 million, or $0.36 per share, in pre-tax, pre-credit-cost income, increase of 109.8% from prior quarter
  - Gain on loan sale income increased by 91.6% from prior quarter to $204.9 million, or 189 bps
  - Net servicing revenue of $32.9 million and loan fees and charges of $30.0, both increased from prior quarter
  - Quarterly bank net interest margin remained stable at 2.41%
  - Retail core deposits increased by 14.0% from prior quarter and cost of funds declined by 5 basis points from prior quarter
  - Commercial loans continue to grow, consistent with business plan

- Remained well-capitalized with significant liquidity
  - Tier 1 capital ratio of 8.64%
  - Cash and cash equivalents of $757.9 million, in addition to $270 million in unencumbered marketable securities and approximately $670 million in unused capacity at FHLB

- Continued emphasis on credit risk management, primarily associated with loans originated prior to 2009
  - Transitioned to more robust and segmented loss models, consistent with OCC peers
  - Non-performing loans HFI decreased by 16.7% from prior quarter
  - Allowance coverage ratio increased to 69.1%, compared to 65.1% in prior quarter

Summary Financial Results

($ in millions, except per share data)	Q1 2012	Q4 2011	Q1 2011
Net Interest Income	$74.7	$75.9	$52.6
Provision	$114.7	$63.5	$28.3
Gain on Loan Sale	$204.9	$106.9	$50.2
Net Servicing Revenue [1]	$32.9	$29.0	$39.3
Net Loss Applicable to Common Shareholders	**($8.7)**	**($78.2)**	**($31.7)**
Diluted Earnings / (Loss) per Share	($0.02)	($0.14)	($0.06)
Total Assets	$14,042.3	$13,637.5	$13,017.0
Total Stockholders' Equity	$1,087.4	$1,079.7	$1,237.0
Book Value per Common Share	**$1.49**	**$1.48**	**$1.78**
NPLs / Gross Loans HFI	6.11%	6.94%	6.39%
NPAs / Total Assets (Bank)	**3.67%**	**4.43%**	**4.26%**
ALLL / NPLs	**69.11%**	**65.11%**	**73.61%**
ALLL / Gross Loans HFI	4.22%	4.52%	4.70%
NPAs / Tier 1 Capital + Allowance for Loan Losses [2]	34.62%	39.33%	35.30%
Tier 1 Capital Ratio	**8.64%**	**8.95%**	**9.87%**
Total Risk Based Capital Ratio	16.06%	16.64%	20.51%
Tier 1 Common to Risk Weighted Assets	8.58%	8.96%	11.61%
Total Equity / Total Assets	7.74%	7.92%	9.50%

[1] Net servicing revenue includes net loan administration income and net gain (loss) on trading securities.

[2] See Non-GAAP reconciliation on pages 33 – 34.

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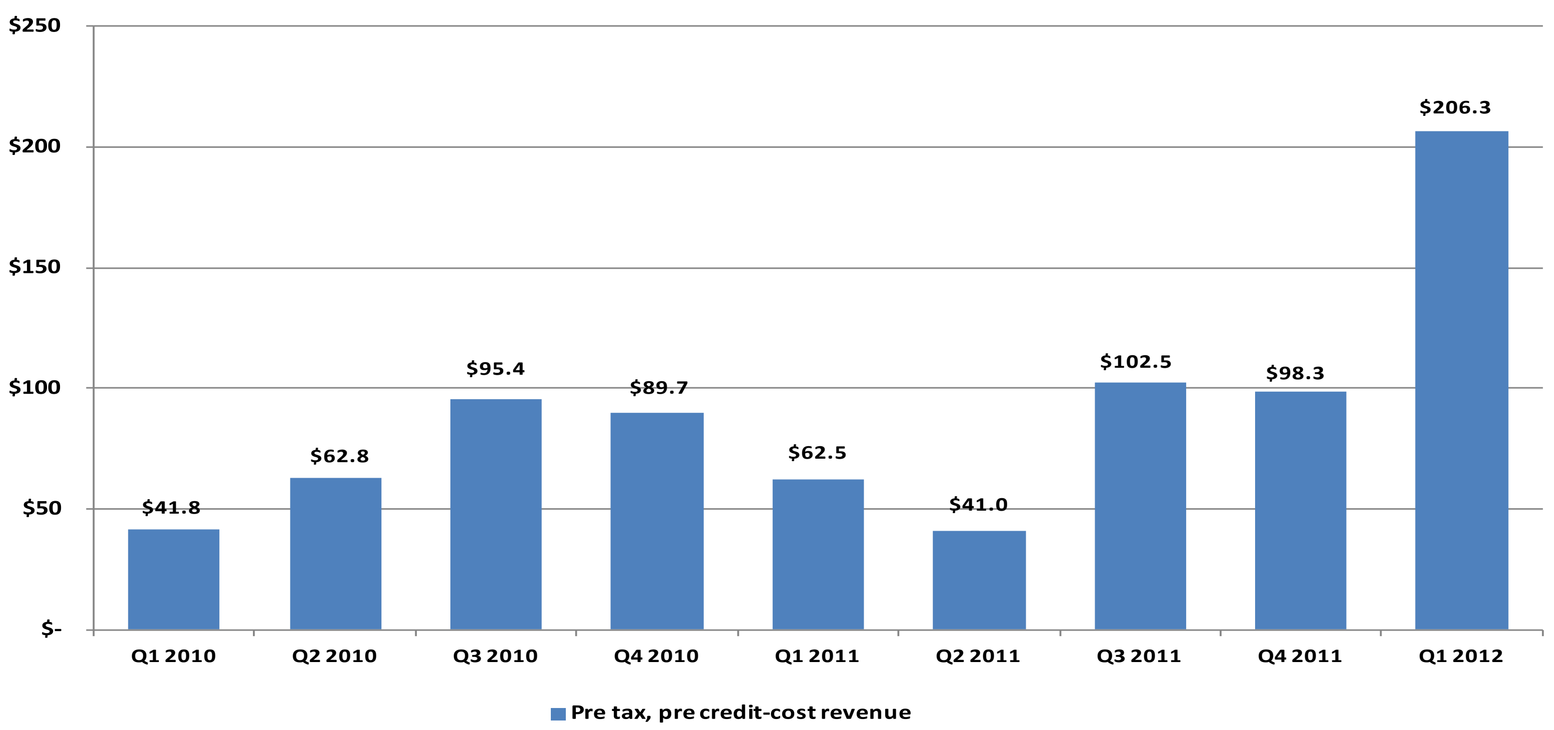
Pre-tax, Pre-credit-cost Revenue

-- Pre-tax, pre-credit-cost revenue of $206.3 million, an increase of 109.8 % over prior quarter and 229.9% over prior year…

($ in millions)

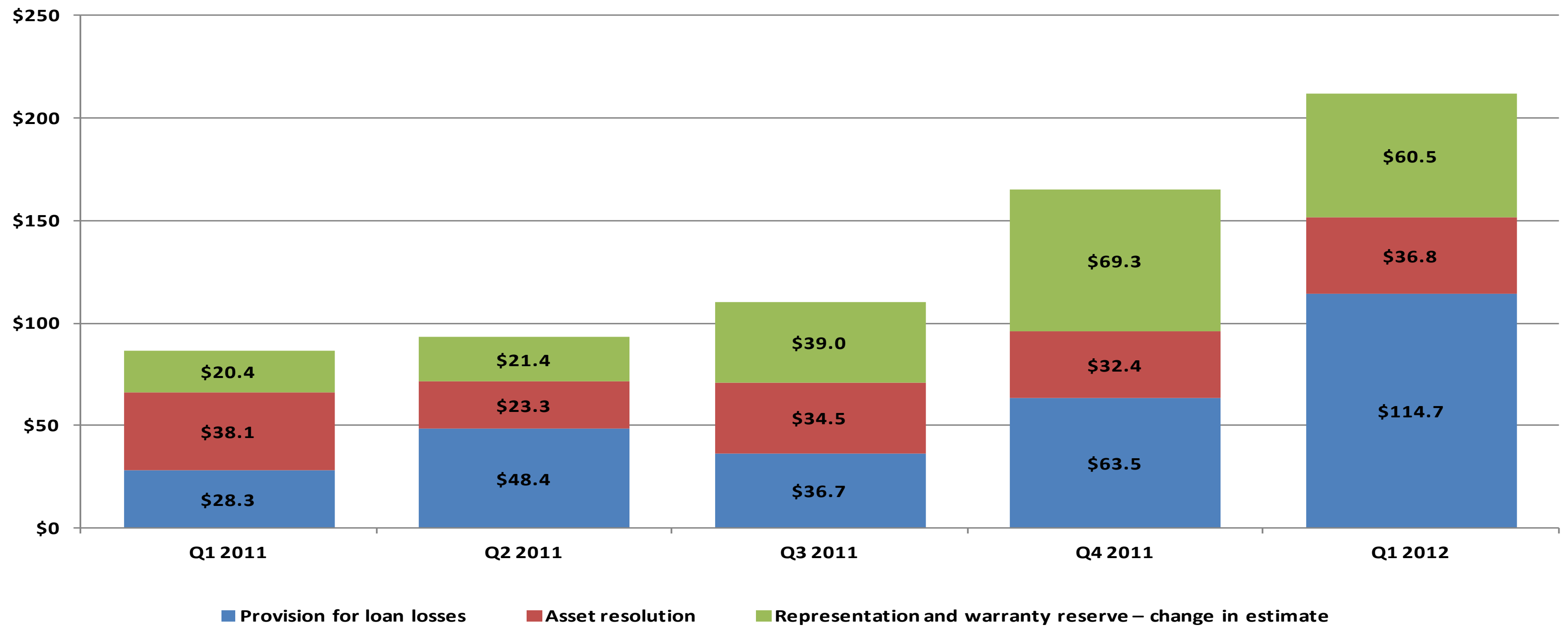


Note: See Non-GAAP reconciliation on pages 33 - 34.

Primary Credit Related Costs

-- Credit related costs increased from the prior quarter, driven primarily by increases in the provision for loan losses and provisions related to the representation and warranty reserve…

($ in millions)



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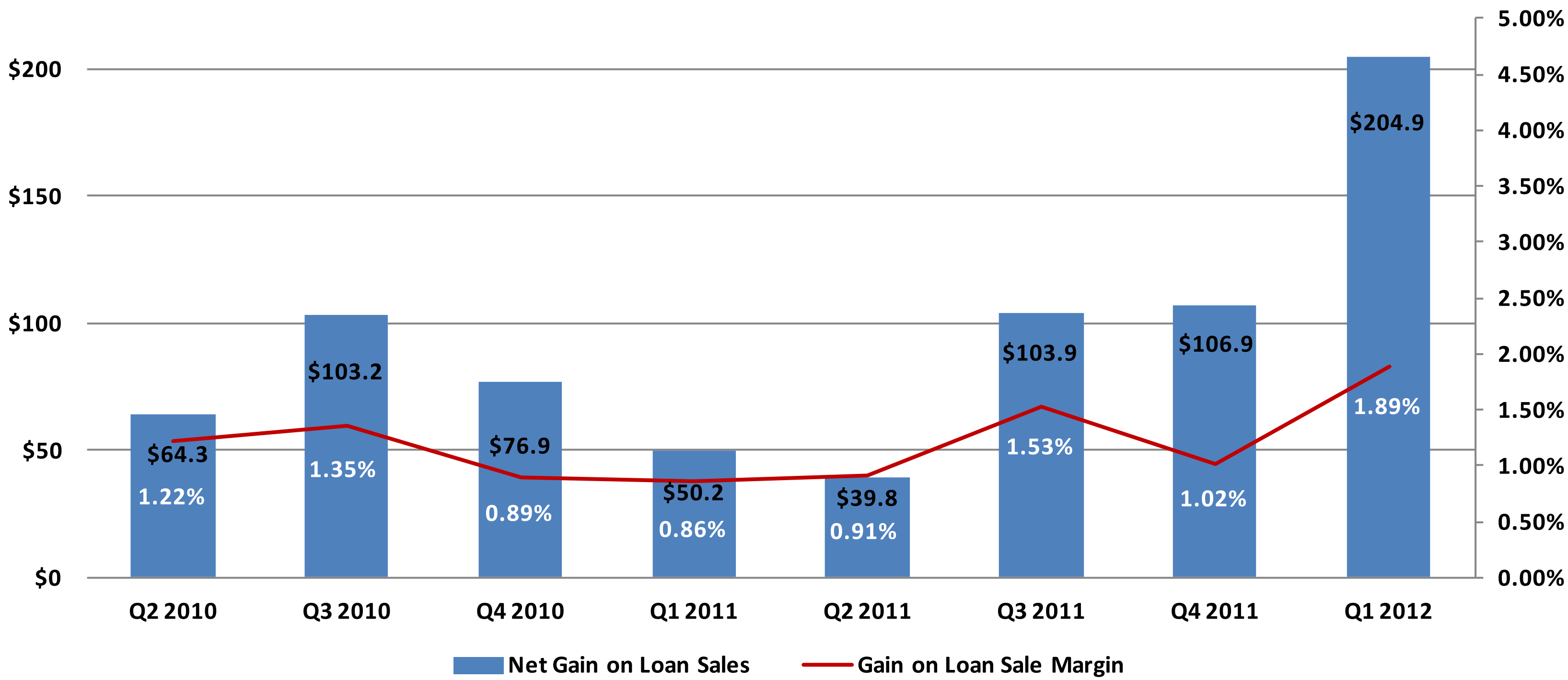
Gain on Loan Sales

-- Gain on loan sale income, and margin, improved to historically high levels, driven by the strength of the mortgage banking business…

($ in millions)



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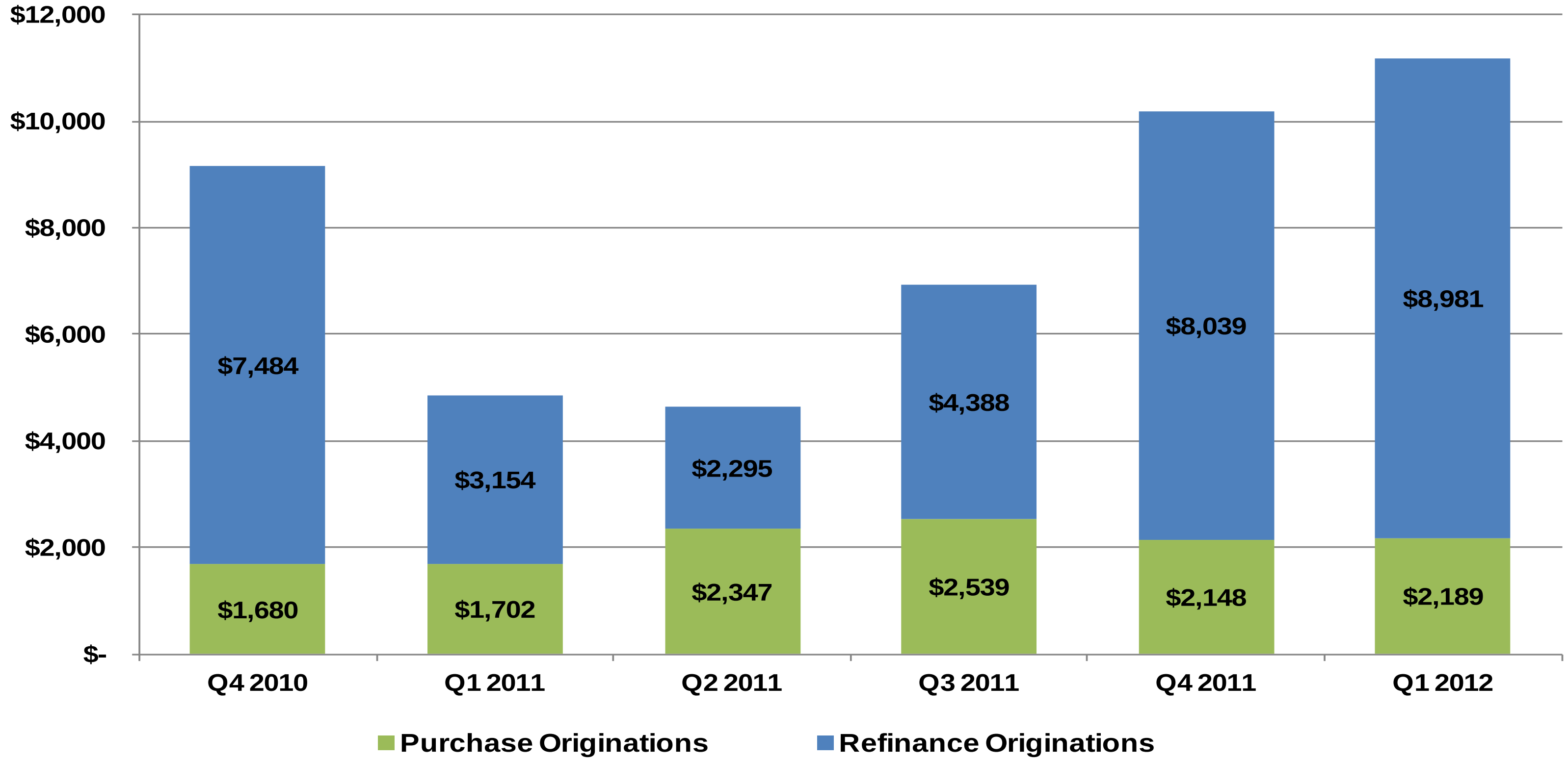
Residential Mortgage Originations

-- Residential first mortgage originations increased by $0.9 billion from the prior quarter, driven by strong refinance volume…

($ in millions)



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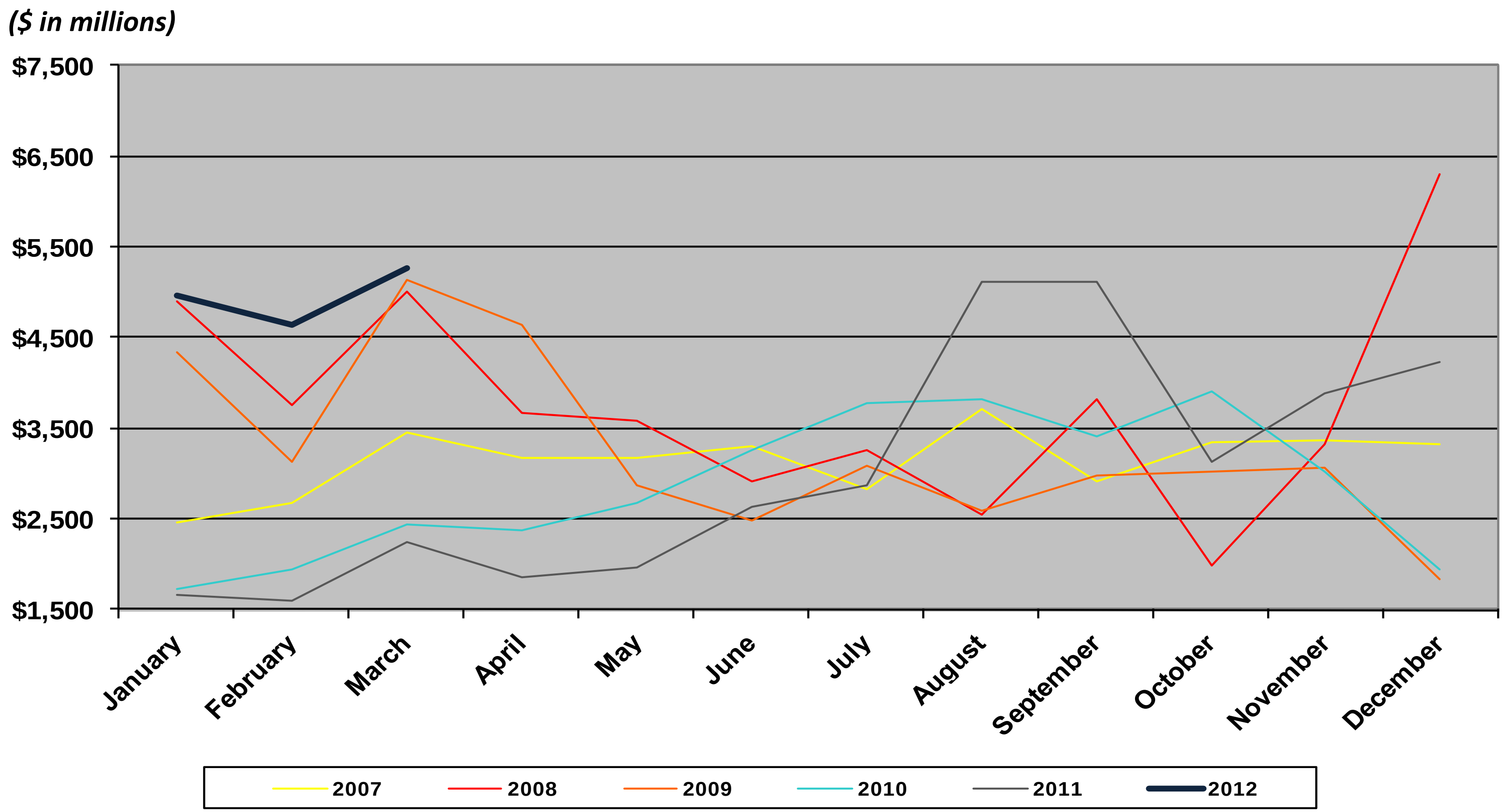
Historical Monthly Lock Volume

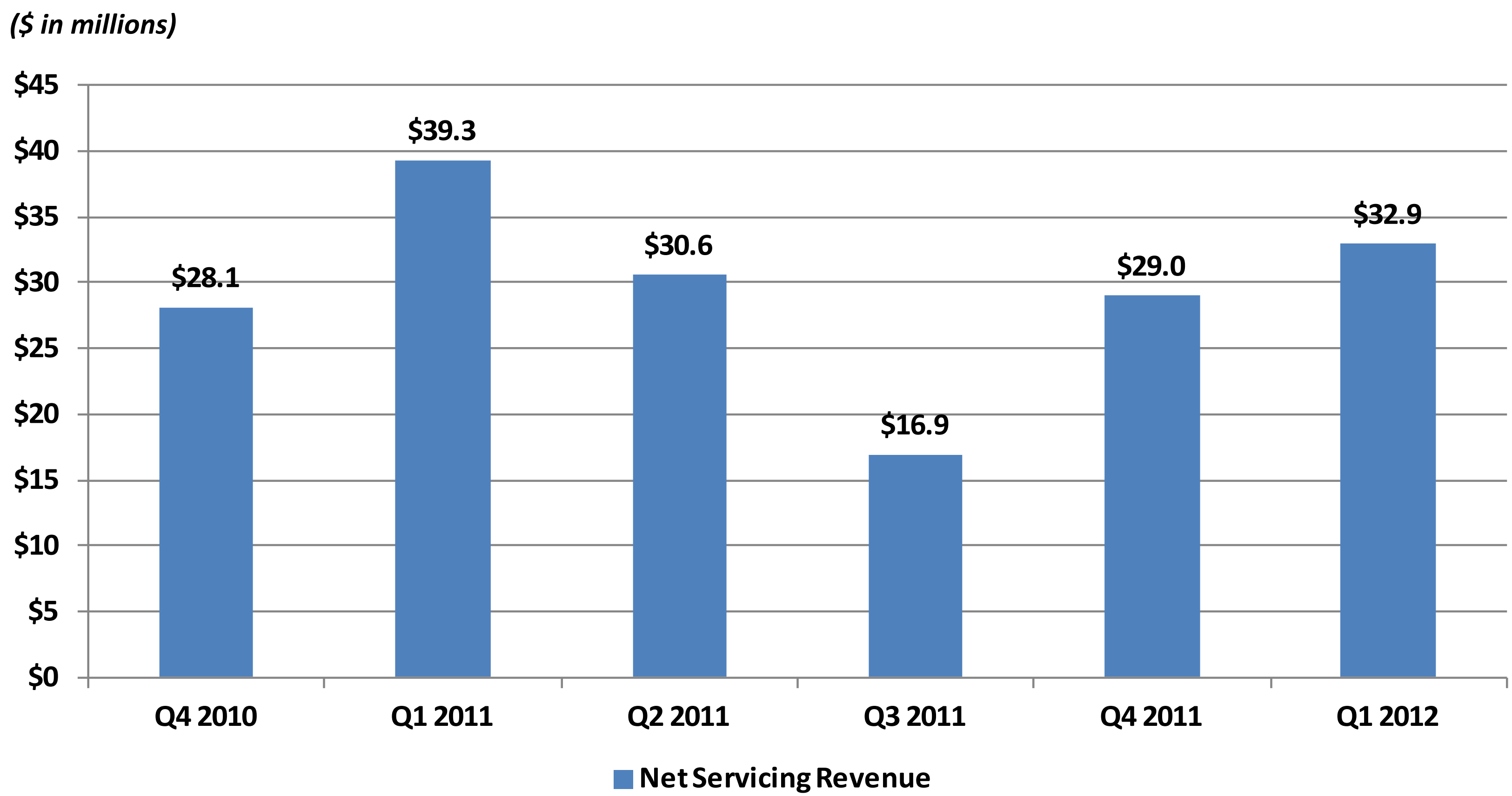
-- Residential mortgage rate locks continued to be strong, reflecting the interest rate environment and increased refinancing activity…



Note: Residential mortgage volume.

Net Servicing Revenue

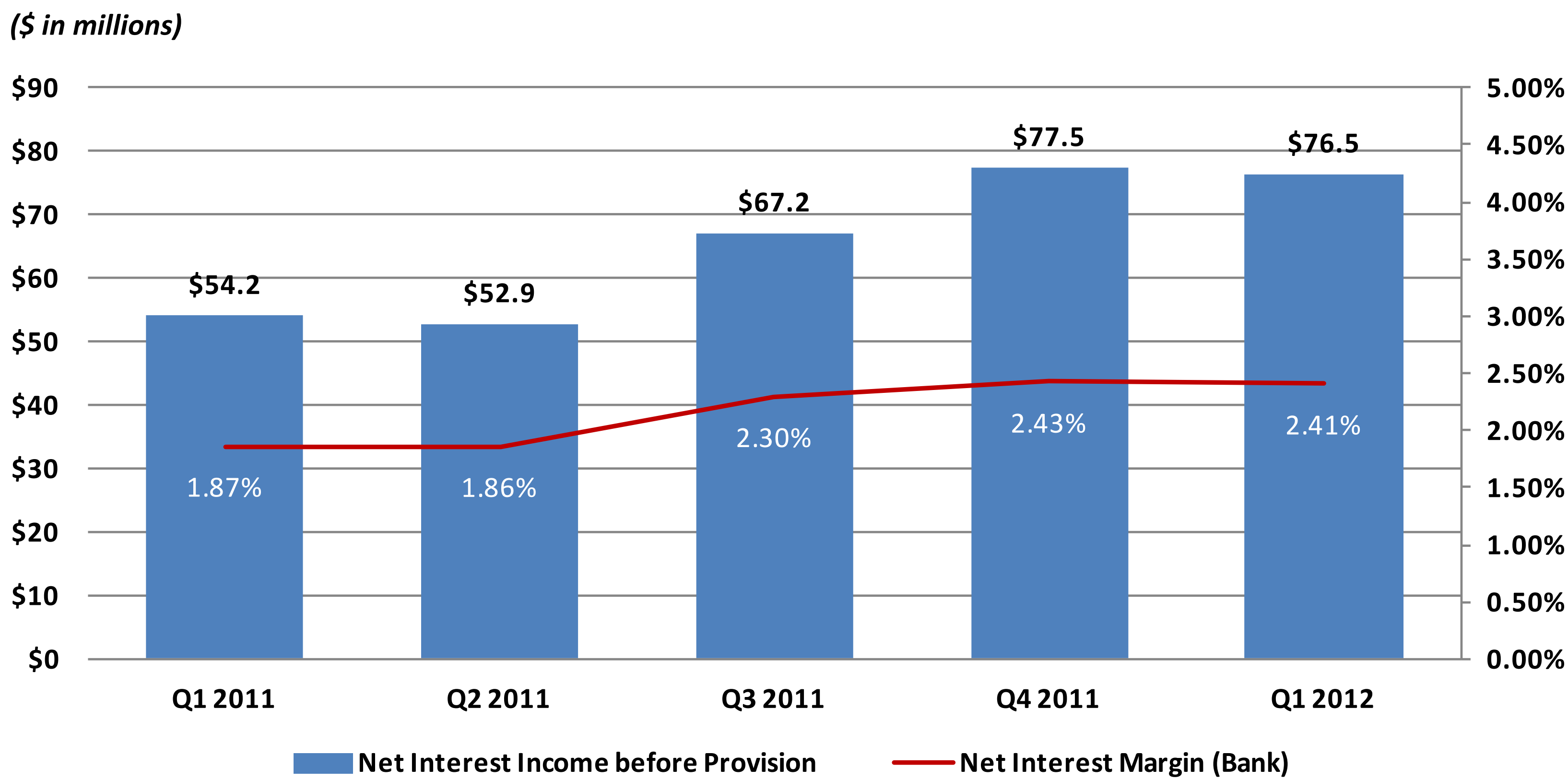
-- Mortgage servicing rights portfolio, net of hedges, continues to generate substantial revenues…



Note: Net servicing revenue includes net loan administration income and net gain (loss) on trading securities.

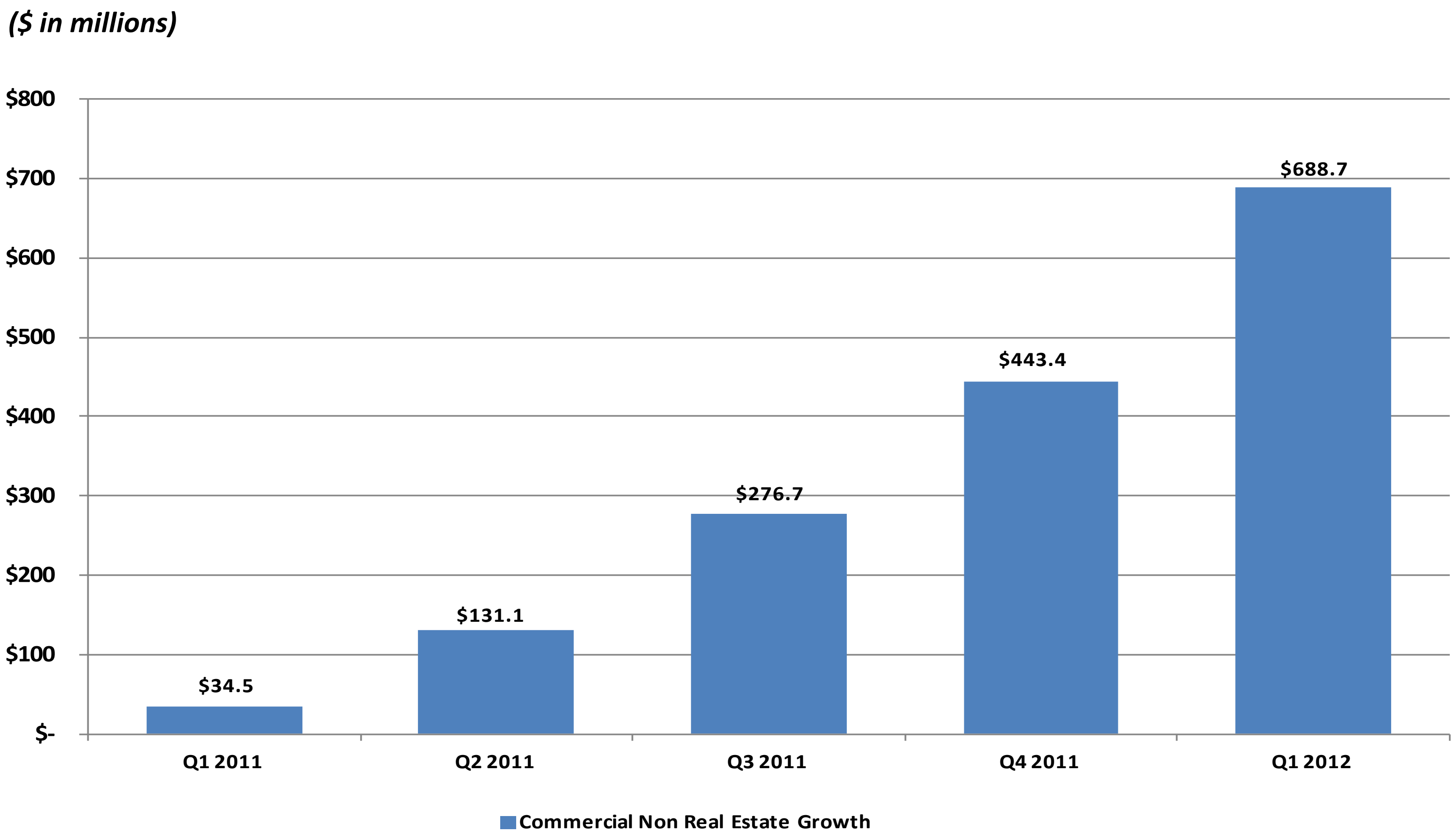
Bank Net Interest Income and Margin

-- Bank net interest income and margin remained stable from the prior quarter…



Commercial Non RE Portfolio

-- Commercial non-real estate loan balances continue to grow prudently, consistent with the business plan…



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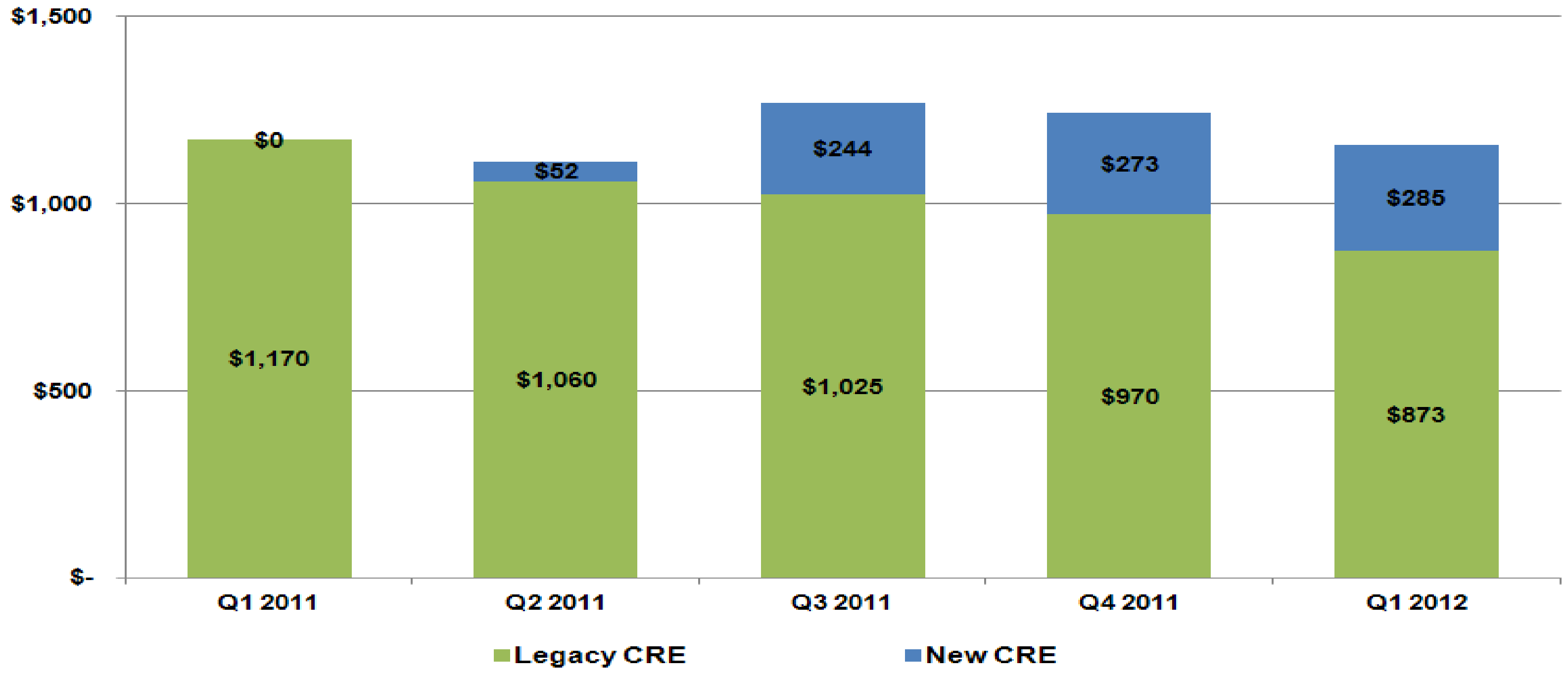
Commercial RE Portfolio

-- The "new" commercial real estate loan portfolio continues to grow, while the seasoned portfolio continues to run-off…

As of Mar 31, 2012



Note: " Legacy CRE" consists loans originated prior to 2011, including those refinanced during 2009 and 2010, while "New CRE" consists of loans originated during 2011 and 2012.

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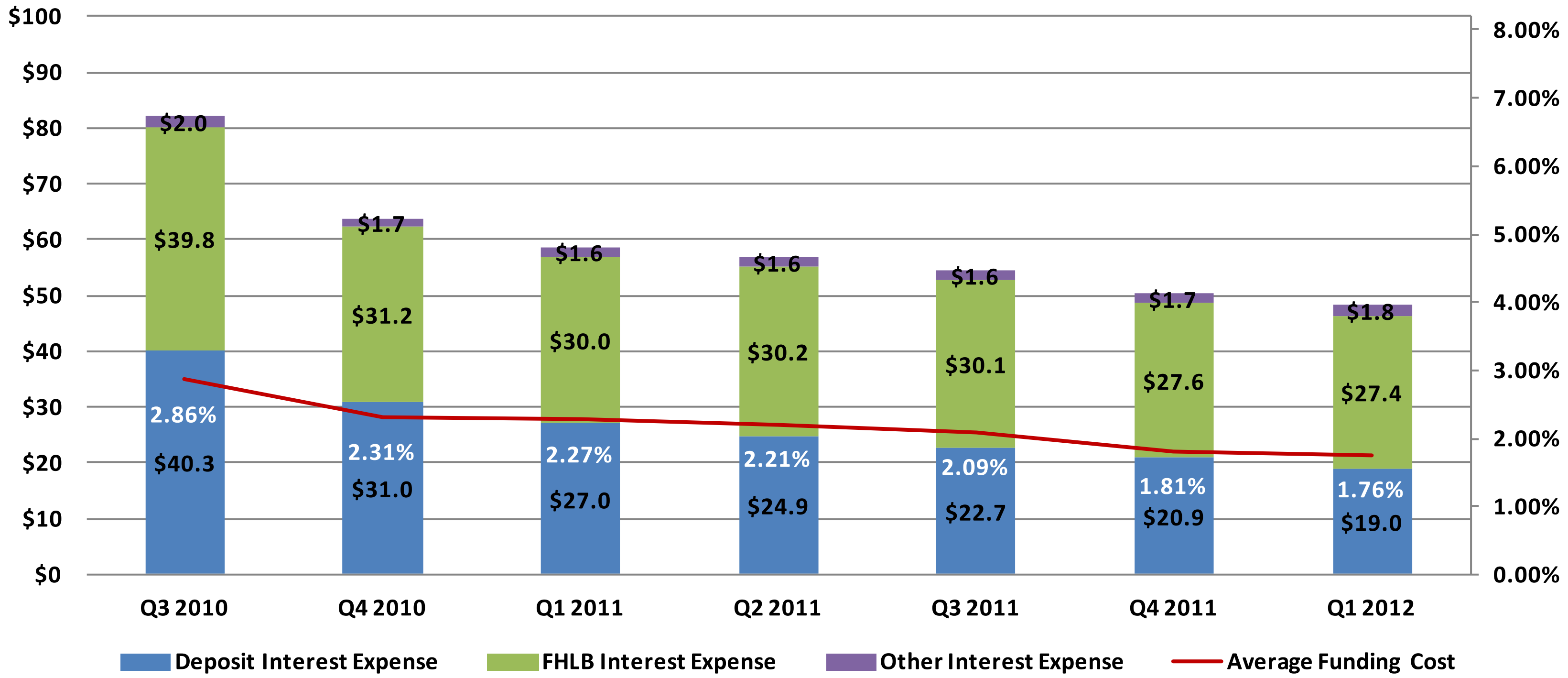
Cost of Funds

-- Average cost of funds continues to improve…

($ in millions)



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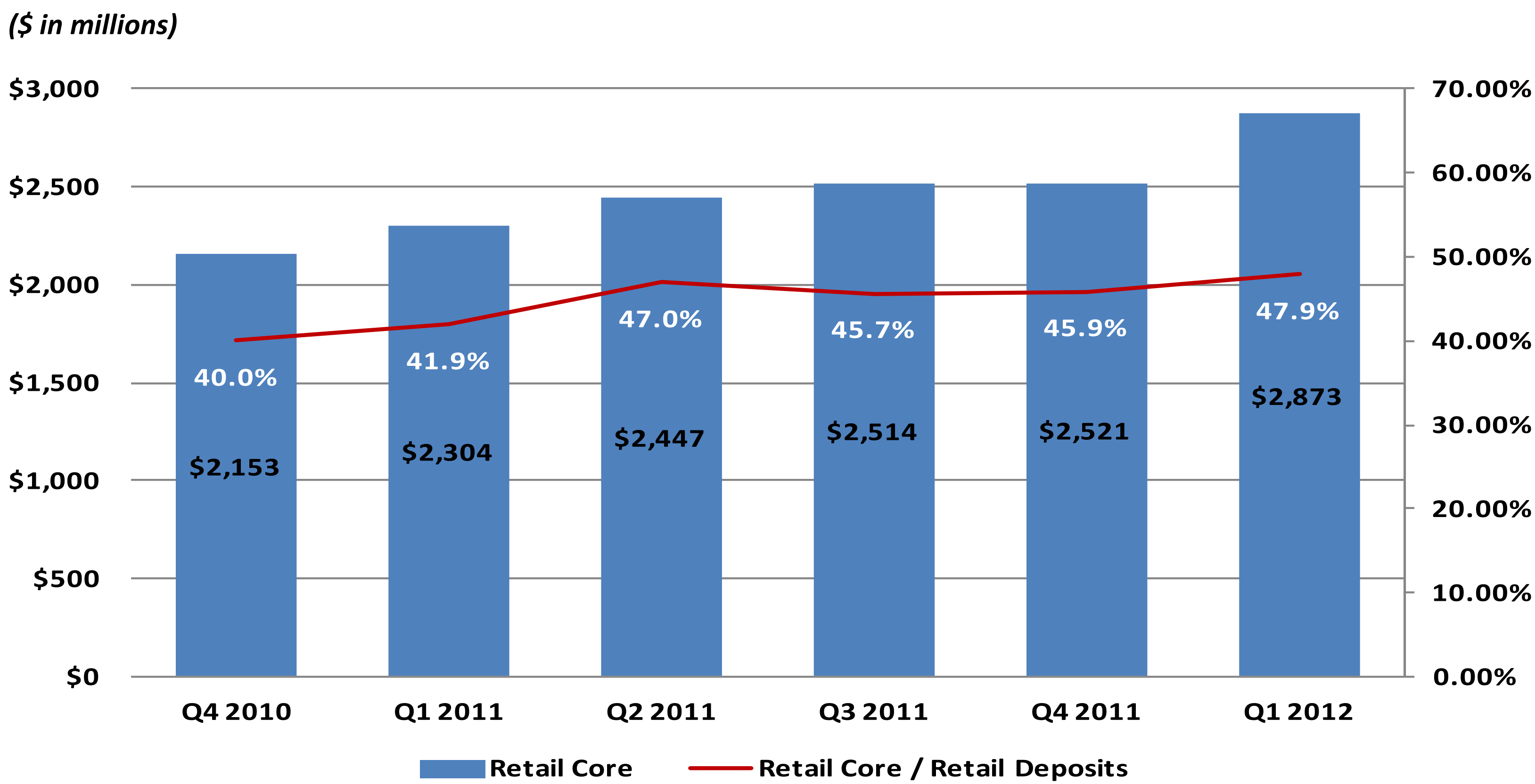
Retail Core Deposits

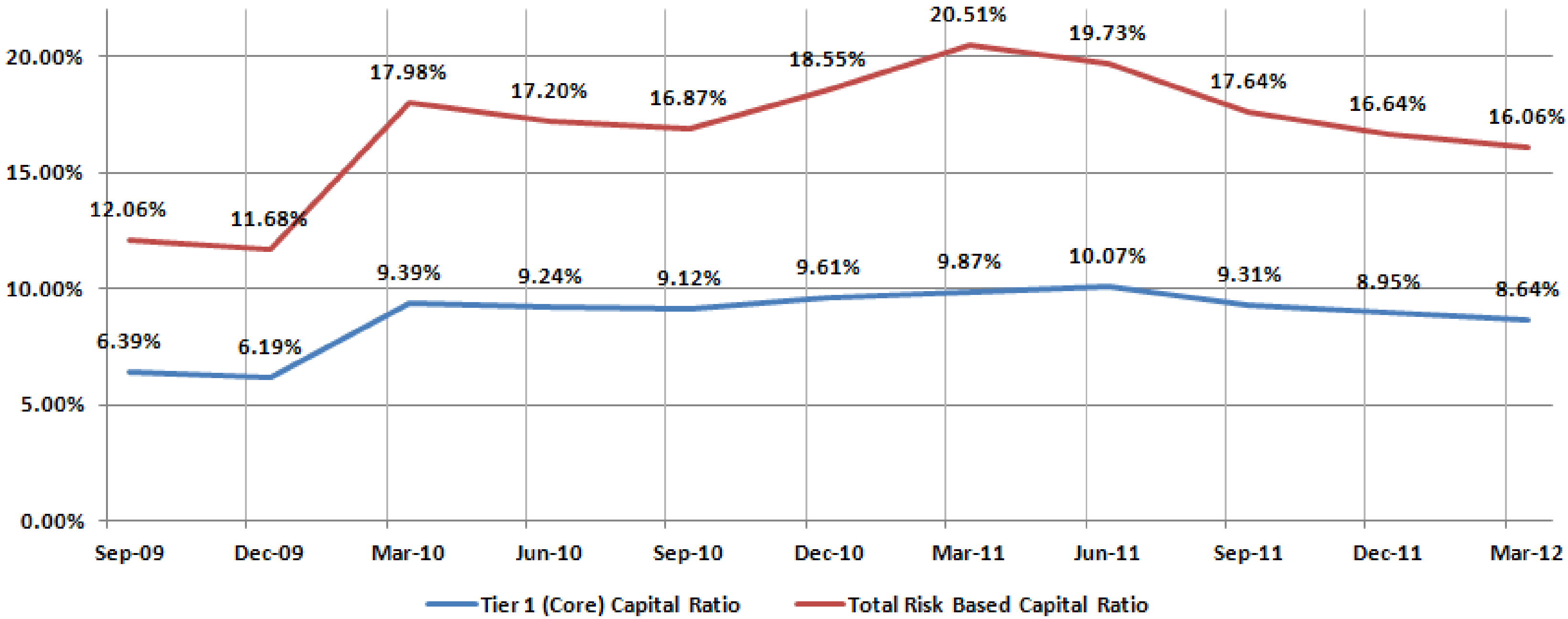
-- Retail core deposits increased significantly, both in total and as a percentage, from the prior quarter…



Note: Retail core deposits include checking accounts, savings accounts, and money market accounts.

Regulatory Capital Ratios

-- Remained well-capitalized at March 31, 2012…



Asset Quality

$ in millions	Q1 2012	Q4 2011	Q3 2011
Consumer [1]	$67.7	$83.7	$91.3
Commercial [1]	$11.1	$7.5	$13.7
Total 30 Day Delinquent Loans	$78.8	$91.1	$105.0
Consumer [1]	$39.1	$41.6	$46.0
Commercial [1]	$8.8	$12.4	$10.5
Total 60 Day Delinquent Loans	$47.9	$54.0	$56.5
Consumer [1]	$314.2	$387.4	$352.4
Commercial [1]	$92.4	$101.0	$92.5
Total90+ Day Delinquent Loans	$406.6	$488.4	$444.9
Non-performing Assets [2]	$518.1	$607.7	$561.6
To Total Assets (Bank only)	3.67%	4.43%	4.09%
Provision for Loan Losses	$114.7	$63.6	$36.7
Charge-offs, Net of Recoveries	$151.7	$27.5	$28.7
Allowance for Loan Losses	$281.0	$318.0	$282.0
To Loans Held for Investment	4.22%	4.52%	4.13%
To Non-performing Loans	69.1%	65.1%	63.4%
Real Estate Owned	$108.7	$114.7	$113.4

(1) Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial, and commercial lease financing loans.

(2) Includes non-performing loans available-for-sale.

Totals may not foot due to rounding

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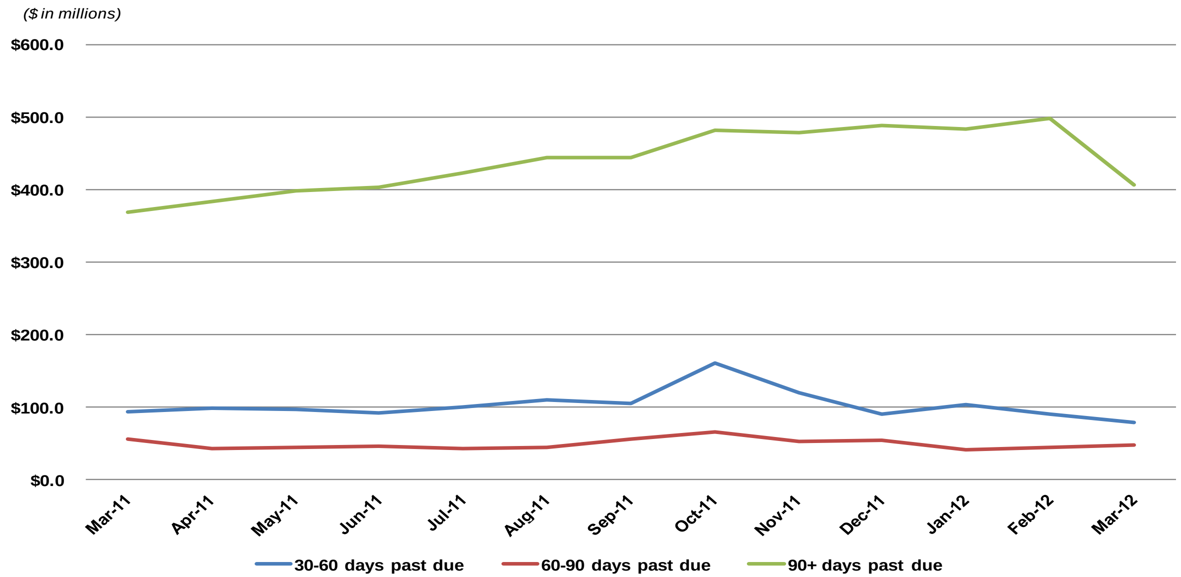
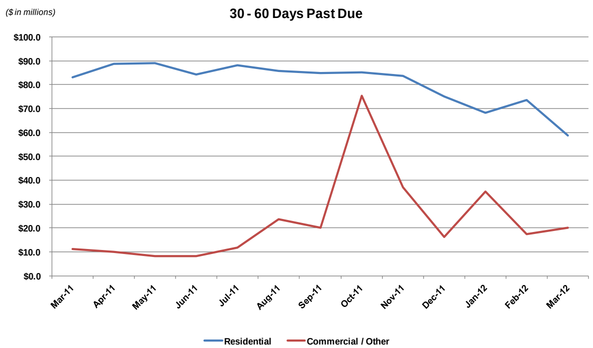
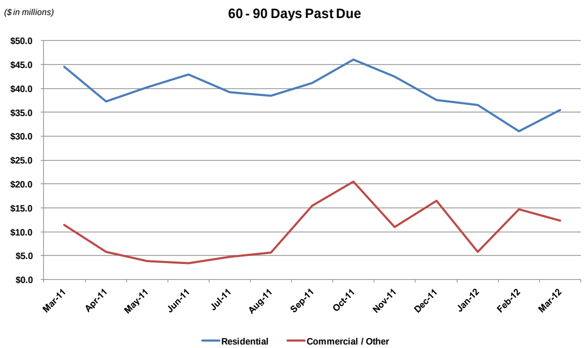
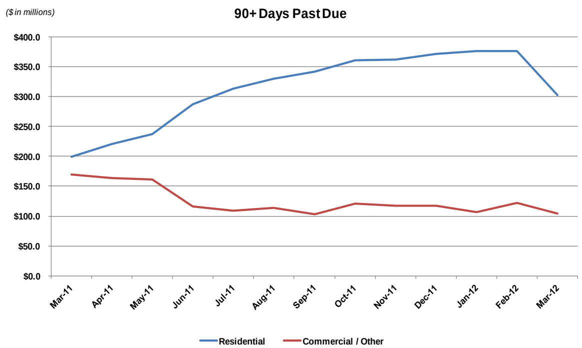
HFI Delinquent Loan Trends

-- Total HFI delinquent loan trends improved significantly from the prior quarter…









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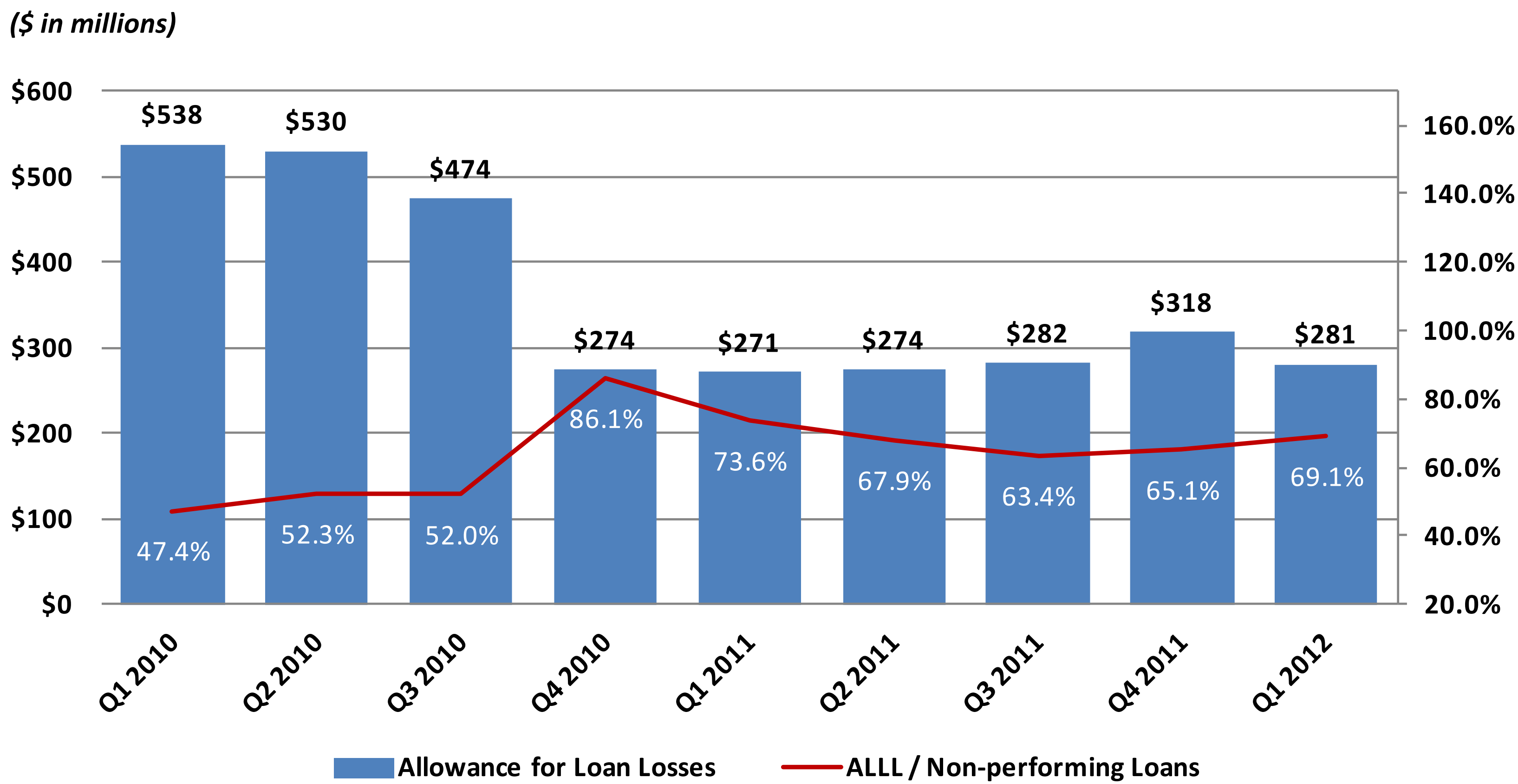
Allowance for Loan Losses

-- Allowance for loan losses increased as a percentage of non-performing loans from the prior quarter…



Representation and Warranty Reserve

Demands increased in 1Q12

($ in millions)	1Q11	2Q11	3Q11	4Q11	1Q12
2005 & Prior	$12	$21	$12	$13	$18
2006	24	30	31	32	28
2007	83	84	99	86	94
2008	53	40	45	45	63
2009-2011	34	19	22	14	36*
Total	$206	$194	$209	$190	$239

* Increase is driven largely by Freddie requests for documentation on more recent originations, vast majority of which the Bank expects to resolve without incurring a loss

1Q 12 charge-offs remain high; reserve increased

($ in millions)	1Q11	2Q11	3Q11	4Q11	1Q12
Beg Balance	$79	$79	$79	$85	$120
Additions	23	23	41	73	66
Charge-offs	(23)	(23)	(35)	(38)	(44)
End Balance	$79	$79	$85	$120	$142

Pending demands also increased slightly in 1Q12; primarily FNMA loans

($ in millions)	1Q11	2Q11	3Q11	4Q11	1Q12
Period –end Balance	$304	$326	$352	$343	$357
% Non-Agency (approx)	3%	2%	2%	2%	2%

Key reserve variables

UPB Metric (2005-2011 Vintages) (1)	Amount
Sold UPB	$175 (B)
Remaining UPB (2)	$75 (B)
Loan File Review as % of UPB	5%
Repurchase Demand Rate	21%
Actual Repurchase Rate (Win/Loss) (Weighted Avg.)	44%
Loss Severity Rate (Weighted Avg.)	36%
Ending Reserve Balance	$142 (M)

(1) Includes estimates
(2) Includes servicing sold with recourse

Appendix

Full Income Statement

($ in millions, except per share data)	Q1 2012	Q4 2011	Q1 2011
Net Interest Income	$74.7	$75.9	$52.6
Provision for Loan Losses	114.7	63.5	28.3
Net Interest Income after Provision	(39.9)	12.3	24.3
Non-interest Income	221.4	118.6	96.3
Non-interest Expense	188.7	205.8	147.2
Net Earnings (before tax provision)	(7.3)	(74.9)	(26.7)
Provision for Income Taxes	0.0	0.3	0.3
Net Earnings (before preferred dividends)	(7.3)	(75.2)	(27.0)
Preferred Dividends	(1.4)	(3.0)	(4.7)
Net Earnings	**($8.7)**	**($78.2)**	**($31.7)**
Weighted average common shares outstanding	556.6	555.4	553.6
Diluted Loss per Share	($0.02)	($0.14)	($0.06)

Totals may not foot due to rounding

Select Balance Sheet Items

($ in millions)	Q1 2012	Q4 2011	Q1 2011
Total assets	**$14,042.3**	**$13,637.5**	**$13,017.0**
Cash and interest earning deposits	$757.9	$731.1	$1,715.0
First mortgage and construction loans	3,304.9	3,749.8	3,755.0
Second mortgage loans	132.5	138.9	165.2
Commercial real estate loans	1,157.9	1,243.0	1,170.2
Warehouse loans	1,104.2	1,173.9	303.8
Consumer lending (including HELOC and other)	271.3	289.6	336.0
Commercial and Industrial	688.7	443.4	34.5
Investment loan portfolio	$6,659.5	$7,038.6	$5,764.7
Loans held for sale	$2,492.9	$1,800.9	$1,609.5
Loans repurchased with government guarantees	2,003.0	1,899.3	1,756.5
Securities classified as trading	307.4	313.4	160.7
Securities classified as available for sale	448.1	481.4	452.4
Mortgage servicing rights	596.8	510.5	635.1

Totals may not foot due to rounding

Deposit Mix

($ in millions)	As of Mar 31, 2012		As of Dec 31, 2011		As of Mar 31, 2011	
	Balance	Rate	Balance	Rate	Balance	Rate
Retail Deposits:						
Demand deposits	$ 648	0.17%	$ 567	0.17%	$ 613	0.25%
Savings deposits	1,757	0.79%	1,462	0.87%	1,127	0.86%
Money market deposits	468	0.47%	492	0.59%	564	0.75%
Certificates of deposit	3,120	1.29%	2,972	1.39%	3,189	1.83%
Total retail deposits	5,993	0.96%	5,493	1.05%	5,493	1.35%
Core retail deposits / retail deposits	47.94%		45.89%		41.94%	
Government Banking Deposits:						
Demand deposits	93	0.41%	103	0.44%	91	0.45%
Savings deposits	312	0.56%	206	0.60%	423	0.65%
Certificates of deposit	375	0.63%	402	0.66%	239	0.85%
Total government banking deposits	780	0.57%	711	0.61%	753	0.69%
Company controlled deposits	1,480	0.00%	1,101	0.00%	690	0.00%
Wholesale deposits	346	3.49%	385	3.45%	812	3.05%
Total deposits	$ 8,599	0.86%	$ 7,690	0.98%	$ 7,749	1.34%
Number of banking branches	113		113		162	

Note: Represents the ending balance and rate for period noted. Retail core deposits include demand, savings and money market accounts.

Totals may not foot due to rounding

Commercial RE Portfolio

As of Mar 31, 2012

$ in thousands										
	New Commercial RE					Legacy Commercial RE				
Property Type	Balance	30 Days Delinquent	60 Days Delinquent	90+ Days Delinquent [1]	Total Reserves	Balance	30 Days Delinquent	60 Days Delinquent	90+ Days Delinquent [1]	Total Reserves
Construction one-to-four family	-	-	-	-	-	$5,725.1	-	-	$5,725.1	$3.4
Land	174.2	-	-	-	3.4	27,349.7	-	-	9,983.8	1,154.7
Services	-	-	-	-	-	-	-	-	-	-
Commercial & Industrial Loans	3,315.8	-	-	-	250.1	-	-	-	-	-
One-to-four family conventional	457.4	-	-	-	8.9	13,704.5	-	8,286.3	2,611.1	767.7
mortgage	14.3	-	-	-	0.3	481.7	-	-	160.4	21.9
Mult-family conventional	129,125.1	-	-	-	2,505.0	97,402.3	-	501.1	2,544.9	6,747.2
Commercial non-owner occupied	104,980.0	-	-	-	2,036.6	659,912.1	10,723.0	-	63,923.2	52,098.9
Secured by non-farm, non-residential	27,249.2	-	-	-	269.5	72,973.5	228.9	-	7,298.4	4,990.9
Other	20,417.0	-	-	-	396.1	-	-	-	-	-
Negative Escrow	(62.3)	-	-	-	-	2,786.6	-	-	-	-
Net deferred fees and other	(441.1)	-	-	-	-	(7,654.0)	-	-	-	-
Total:	**$285,229.7**	**$0.0**	**$0.0**	**$0.0**	**$5,469.9**	**$872,681.5**	**$10,951.8**	**$8,787.4**	**$92,246.9**	**$65,784.7**

(1) 90+ day delinquent loans include performing non-accruals.

Note: " Legacy CRE" consists of loans originated prior to 2011, including those refinanced during 2009 and 2010., while "New CRE" consists of loans originated during 2011 and 2012.

Totals may not foot due to rounding

Commercial RE Portfolio – by State

As of Mar 31, 2012

$ in thousands

State	Construction - One to Four Family	Land	Services	Commercial and Industrial Loans	One to Four Family Conventional	One to Four Family Closed End Mortgage	Multi Family Conventional	Commercial Non-Owner Occupied	Secured by Nonfarm, Nonresidential	Other	Total
MI	$3,460	$9,549	$0	$0	$13,618	$496	$92,043	$344,817	$51,042	$998	**$516,022**
NY	-	-	-	-	-	-	100,000	27,567	14,741	9,500	**151,808**
CA	135	-	-	-	-	-	-	122,758	9,309	-	**132,203**
GA	-	-	-	-	-	-	2,720	76,212	13,388	-	**92,319**
MA	-	-	-	-	-	-	19,157	26,346	3,684	-	**49,187**
IN	299	13,879	-	-	-	-	-	33,161	1,156	-	**48,494**
VA	-	-	-	-	-	-	-	43,964	-	-	**43,964**
CT	-	-	-	3,316	-	-	-	38,475	-	-	**41,791**
MD	-	-	-	-	-	-	-	2,868	-	9,919	**12,787**
FL	-	4,097	-	-	-	-	-	8,385	-	-	**12,481**
PA	-	-	-	-	-	-	9,968	-	-	-	**9,968**
TN	-	-	-	-	-	-	-	5,619	1,277	-	**6,896**
NC	-	-	-	-	-	-	-	7,009	552	-	**7,561**
IL	-	-	-	-	-	-	-	1,484	4,216	-	**5,700**
RI	-	-	-	-	-	-	924	3,615	-	-	**4,539**
Other	1,831	-	-	-	544	-	1,715	22,613	858		**27,562**
Total	**$5,725**	**$27,524**	**$0**	**$3,316**	**$14,162**	**$496**	**$226,528**	**$764,892**	**$100,223**	**$20,417**	**$1,163,282**

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

Totals may not foot due to rounding

Commercial RE Portfolio – by Vintage

As of Mar 31, 2012

$ in thousands

Vintage	Construction - One to Four Family	Land	Services	Commercial and Industrial Loans	One to Four Family Conventional	One to Four Family Closed End Mortgage	Multi Family Conventional	Commercial Non-Owner Occupied	Secured by Nonfarm, Nonresidential	Other	Total
Older	$0	$81	$0	$0	$1,606	$0	$9,567	$48,479	$5,199	$0	**$64,932**
2003	51	460	-	-	-	-	4,598	38,990	5,159	-	**49,259**
2004	3,153	-	-	-	335	13	9,379	70,865	5,646	-	**89,391**
2005	256	406	-	-	8,379	-	16,222	51,667	3,539	-	**80,469**
2006	299	16,665	-	-	42	160	29,803	118,371	10,617	-	**175,957**
2007	173	6,469	-	-	932	-	17,894	158,854	31,660	-	**215,982**
2008	-	-	-	-	321	-	3,817	129,128	11,154	-	**144,421**
2009	-	66	-	-	179	308	483	11,065	-	-	**12,101**
2010	1,793	-	-	-	1,911	-	5,638	15,216	-	-	**24,559**
2011	-	3,377	-	-	-	14	129,125	120,412	23,013	19,419	**295,360**
2012	-	-	-	3,316	457	-	-	1,845	4,236	998	**10,853**
Total	**5,725**	**27,524**	**-**	**3,316**	**14,162**	**496**	**226,527**	**764,892**	**100,223**	**20,417**	**1,163,282**

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

Totals may not foot due to rounding

Non-Agency Investment Securities AFS Portfolio

As of Mar 31, 2012

$ in thousands

Investment Name	CUSIP	Current Principal	OTTI Impairment	Mark-to-Market	Net Book Value	Initial M	Initial SP	Initial F	Current M	Current SP	Current F
CWALT 2006-45T1 2A5	02149JAU0	$26,062	($6,601)	($1,116)	$18,345	Aaa	AAA	AAA	Caa3	CCC	C
CWHL 2007-3 A1	12543RAA7	27,244	(3,505)	(467)	23,272	NR	AAA	AAA	NR	CCC	C
CWHL 2006-18 1A1	12543WAA6	21,238	(1,934)	(478)	18,826	NR	AAA	AAA	NR	CC	C
CWHL 2005-23-A1	126694GU6	27,896	(1,860)	(177)	25,859	NR	AAA	AAA	NR	CCC	B
CWHL 2006-1 A2	126694XC7	23,399	(3,061)	(1,007)	19,330	NR	AAA	AAA	NR	CC	C
CWHL 2007-J1 1A1	12669MAA6	45,114	(6,434)	(3,022)	35,659	NR	AAA	AAA	NR	D	D
CWALT TR 2006-J8	23245LAD2	26,756	(9,594)	(726)	16,435	NR	AAA	AAA	NR	D	D
CWALT 2007-1T1 1A1	23246KAA9	31,111	(10,165)	(1,379)	19,567	Aaa	AAA	AAA	Ca	D	D
GSR 2006-9F 2A1	3622X7AD8	21,757	(1,555)	(347)	19,854	Aaa	NR	AAA	Caa1	NR	C
GSR 2006-7F 2A1	36298NAD6	-	-	-	-	Aaa	NR	AAA	Caa1	NR	C
JPMMT 2006-S4 A7	46629SAG7	45,817	(6,495)	(1,333)	37,989	Aaa	AAA	AAA	Caa2	D	D
	Subtotal	$296,394	($51,205)	($10,053)	$235,136						
GMS Trust 2006-1	33848FAA1	$120,064	($2,793)	($12,238)	$105,034	Aaa	AAA	NR	B3	AAA	NR
	Subtotal	$120,064	($2,793)	($12,238)	$105,034						
	Total	$416,458	($53,998)	($22,291)	$340,170						

Note: excludes agency investment securities, which are sold in normal course.

Totals may not foot due to rounding

Flagstar Bancorp

Real Estate Owned Portfolio

As of Mar 31, 2012

$ in thousands

	Commercial	%	Receivership	%	Construction	%	Manufactured Homes	%	Single Family Homes	%	Total	%
Current Month	$ 432	1.9%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 5,239	9.5%	$ 5,671	5.2%
30 days	1,351	6.1%	8,247	42.0%	-	0.0%	-	0.0%	6,685	12.1%	16,283	15.0%
60 days	1,116	5.0%	-	0.0%	-	0.0%	148	52.0%	6,599	11.9%	7,864	7.2%
90 days	221	1.0%	408	2.1%	-	0.0%	-	0.0%	5,999	10.9%	6,628	6.1%
91 - 180 days	4,423	19.8%	2,018	10.3%	-	0.0%	45	15.9%	11,004	19.9%	17,490	16.1%
181 - 365 days	1,591	7.1%	4,930	25.1%	457	91.3%	38	13.4%	12,786	23.1%	19,802	18.2%
1 - 2 years	8,289	37.1%	4,021	20.5%	-	0.0%	33	11.6%	5,617	10.2%	17,960	16.5%
2 - 3 years	1,778	8.0%	-	0.0%	-	0.0%	-	0.0%	1,009	1.8%	2,787	2.6%
3 - 4 years	3,121	14.0%	-	0.0%	43	8.7%	20	7.0%	297	0.5%	3,481	3.2%
4 - 5 years	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Reconciling Items	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Loans to Facilitate	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	10,721	9.9%
Total	**$ 22,321**	**100.0%**	**$ 19,624**	**100.0%**	**$ 500**	**100.0%**	**$ 285**	**100.0%**	**$ 55,235**	**100.0%**	**$ 108,686**	**100.0%**

Totals may not foot due to rounding

Asset Quality by Loan Type – HFI

As of Mar 31, 2012

$ in thousands

Loan Type	Balance	Non-performing Loans	% of Balance	% of Overall NPLs	Q1 '12 Charge Offs, Net of Recoveries	Collectively Evaluated Reserves (1)	Individually Evaluated Reserves (2)	Total Reserves
Residential first mortgage	$3,304,393	$302,087	9.14%	74.30%	$94,640	$73,092	$85,569	$158,661
Second mortgage	132,463	5,993	4.52%	1.47%	5,034	15,724	3,343	19,067
Construction	496	374	75.40%	0.09%	243	-	-	-
Warehouse	1,104,205	28	0.00%	0.01%	-	1,824	-	1,824
HELOC	209,228	5,316	2.54%	1.31%	6,162	14,760	18	14,778
Consumer	62,111	433	0.70%	0.11%	977	2,593	-	2,593
Commercial RE	1,157,911	92,247	7.97%	22.69%	44,617	52,410	19,060	71,470
Commercial NRE	688,731	105	0.02%	0.03%	-	12,607	-	12,607
Total:	**$6,659,538**	**$406,583**	**6.11%**	**100.00%**	**$151,673**	**$173,010**	**$107,990**	**$281,000**

(1) Represents loans collectively evaluated for impairment in accordance with ASC 450-20, Loss Contingencies (formerly FAS 5), and pursuant to amendments by ASU 2010-20 regarding allowance for unimpaired loans

(2) Represents loans individually evaluated for impairment in accordance with ASC 310-10, Receivables (formerly FAS 114), and pursuant to amendments by ASU 2010-20 regarding allowance for impaired loans.

Note: Non-performing loans include 90+ days delinquent and matured, and performing non-accruals.

Totals may not foot due to rounding

Non Performing Loans HFI – by State

As of Mar 31, 2012

$ in thousands

State	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Construction	Consumer	Warehouse	Total	Percent of Total
CA	$81,849	31.2%	$1,365	$600	$7,025	-	-	-	-	$90,839	24.8%
MI	16,530	6.3%	734	1,449	48,962	105	304	248	-	68,332	18.6%
FL	36,950	14.1%	465	531	3,644	-	-	-	-	41,589	11.3%
GA	7,602	2.9%	313	10	16,348	-	-	25	-	24,299	6.6%
AZ	11,449	4.4%	478	248	-	-	-	-	-	12,176	3.3%
TX	9,033	3.4%	31	-	2,052	-	-	1	-	11,117	3.0%
NY	9,002	3.4%	398	125	852	-	-	5	-	10,382	2.8%
MD	9,472	3.6%	-	62	-	-	-	-	-	9,534	2.6%
OH	5,813	2.2%	57	51	2,643	-	-	-	-	8,564	2.3%
WA	7,635	2.9%	335	157	-	-	-	-	-	8,128	2.2%
NV	6,719	2.6%	-	67	-	-	-	-	-	6,786	1.9%
IL	6,095	2.3%	12	171	-	-	-	-	-	6,278	1.7%
IN	1,846	0.7%	-	22	4,285	-	70	32	-	6,255	1.7%
NJ	5,896	2.2%	173	80	-	-	-	-	-	6,149	1.7%
VA	4,623	1.8%	104	-	-	-	-	68	-	4,795	1.3%
Other	41,661	15.9%	1,528	1,742	6,436	-	-	56	-	51,422	14.0%
Total	$262,176	100.0%	$5,993	$5,316	$92,247	$105	$374	$434	$0	$366,644	100.0%

Note: Non-performing loans include 90+ days delinquent and matured, and performing non-accruals. Excludes participations and first mortgage repurchases.

Totals may not foot due to rounding

Non Performing Loans HFI – by Vintage

As of Mar 31, 2012

$ in thousands											
Vintage	**Mortgage**	**Percent of Mortgage**	**Second Mortgage**	**HELOC**	**Commercial Real Estate**	**Commercial**	**Construction**	**Consumer**	**Warehouse**	**Total**	**Percent of Total**
Older	$16,811	**6.4%**	$226	$1,186	$11,185	$35	$70	$15	-	$29,527	**8.1%**
2004	24,053	**9.2%**	459	281	7,977	-	-	31	-	32,801	**8.9%**
2005	32,825	**12.5%**	214	358	7,996	6	-	90	-	41,489	**11.3%**
2006	26,359	**10.1%**	694	284	28,845	-	-	31	-	56,214	**15.3%**
2007	110,619	**42.2%**	4,241	2,738	19,320	-	-	64	-	136,982	**37.4%**
2008	32,350	**12.3%**	159	469	11,214	10	304	135	-	44,640	**12.2%**
2009	16,706	**6.4%**	-	-	1,202	-	-	2	-	17,910	**4.9%**
2010	1,611	**0.6%**	-	-	1,978	9	-	35	-	3,633	**1.0%**
2011	843	**0.3%**	-	-	2,529	45	-	30	-	3,447	**0.9%**
2012	-	**0.0%**	-	-	-	-	-	-	-	-	**0.0%**
Total	**$262,176**	**100.0%**	**$5,993**	**$5,316**	**$92,247**	**$105**	**$374**	**$434**	**$0**	**$366,644**	**100%**

Note: Non-performing loans include 90+ days delinquent and matured, and performing non-accruals. Excludes participations and first mortgage repurchases.

Totals may not foot due to rounding

Non-GAAP Reconciliation

$ in millions	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Loss before tax provision and dividends	($7.3)	($74.9)	($9.2)	($69.9)	($26.7)	($185.3)	($17.9)	($92.3)	($77.2)
Add back:									
Provision for loan losses	114.7	63.5	36.7	48.4	28.3	225.4	51.4	86.0	63.6
Asset resolution	36.8	32.4	34.5	23.3	38.1	41.8	44.3	52.6	22.7
Other than temporary impairment on investments AFS	1.2	7.1	1.3	15.6	0.0	1.3	0.0	0.4	3.3
Representation and warranty reserve	60.5	69.3	39.0	21.4	20.4	10.3	13.0	11.4	26.8
Write down of residual interest	0.4	0.8	0.2	2.3	2.4	(3.8)	4.7	4.3	2.7
Reserve increase for reinsurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Total credit related costs:	213.6	173.2	111.7	110.9	89.2	275.0	113.3	155.1	119.1
Pre-tax, pre credit-cost revenue	**$206.3**	**$98.3**	**$102.5**	**$41.0**	**$62.5**	**$89.7**	**$95.4**	**$62.8**	**$41.8**

Totals may not foot due to rounding

Flagstar Bancorp

Non-GAAP Reconciliation

$ in millions	3/31/2012	12/31/2011	3/31/2011
Non performing assets	$515.3	$603.1	$546.9
Tier One Capital	1,207.2	1,215.2	1,278.3
Allowance for Loan Losses	281.0	318.0	271.0
Tier One Capital + Allowance for Loan Losses	**1,488.2**	**1,533.2**	**1,549.3**
Nonperforming assets/ Tier One Capital + Allowance for Loan Losses	**34.62%**	**39.34%**	**35.30%**

$ in millions	3/31/2012	12/31/2011	3/31/2011
Tier 1 capital	$1,207.2	$1,215.2	$1,278.3
Preferred stock	(266.7)	(266.7)	(266.7)
Qualifying trust preferred securities	(240.0)	(240.0)	(240.0)
Tier 1 common	**700.6**	**708.6**	**771.6**
Total risk-weighted assets	**8,168.1**	**7,905.1**	**6,644.9**
Tier 1 common/ Total risk-weighted assets	**8.58%**	**8.96%**	**11.61%**

Totals may not foot due to rounding

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