

October 24, 2012

# Earnings Presentation

## Third Quarter 2012

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Presenters:

Joseph P. Campanelli  
Chief Executive Officer

Michael J. Tierney  
President

Paul D. Borja  
Chief Financial Officer



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 Flagstar Bank, FSB's 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.



- Net income to common stockholders of \$79.7 million, or \$1.36 per share (year-to-date \$156.9 million, or \$2.61 per share)
  - Record gain on loan sale income of \$334.4 million, or 242 bps.
  - Residential mortgage originations of \$14.5 billion.
  - Quarterly bank net interest margin of 2.21%.
  - Continued growth in commercial loans, consistent with business plan.
  - \$14.9 billion in total assets.
- Regulatory capital ratios increased, credit quality improved:
  - Tier 1 capital ratio (to adjusted total assets) increased to 9.31%.
  - Consumer non-performing loans improved for third consecutive quarter, with a 5.8% decrease from prior quarter.
  - Commercial non-performing loans decreased by 11.2% from prior quarter.
- Balance sheet strengthened:
  - Increased ALLL by \$18.0 million from prior quarter.
  - Increased representation and warranty reserves by \$41.0 million from prior quarter.
- Other key items:
  - Increase of \$40.0 million in litigation reserves for assessment of overall exposure from pending and threatened litigation
  - \$15.2 million loss on extinguishment of debt from the prepayment of \$500.0 million in long-term FHLB advances.
  - Recognition of a \$19.9 million tax benefit realized upon the sale of the remaining \$210.9 million in non-agency collateralized mortgage obligation securities.

<i>(\$ in millions, except per share data)</i>			
	<u>Q3 2012</u>	<u>Q2 2012</u>	<u>Q3 2011</u>
Net Interest Income	\$73.1	\$75.5	\$65.6
Provision	\$52.6	\$58.4	\$36.7
Gain on Loan Sale	\$334.4	\$212.7	\$103.9
Net Servicing Revenue <sup>(1)</sup>	\$11.3	\$28.7	\$16.9
<b>Net Income (Loss) Applicable to Common Shareholders</b>	<b>\$79.7</b>	<b>\$86.0</b>	<b>(\$14.2)</b>
Diluted Earnings / (Loss) per Share	\$1.36	\$1.47	(\$0.26)
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Total Assets	\$14,899.2	\$14,368.4	\$13,734.0
Total Stockholders' Equity	\$1,250.6	\$1,178.3	\$1,159.3
<b>Book Value per Common Share</b>	<b>\$17.76</b>	<b>\$16.50</b>	<b>\$16.30</b>
<hr/>			
NPLs / Gross Loans HFI	6.09%	6.59%	6.52%
<b>NPAs / Total Assets (Bank)</b>	<b>3.48%</b>	<b>3.75%</b>	<b>4.09%</b>
<b>ALLL / NPLs</b>	<b>76.45%</b>	<b>66.50%</b>	<b>63.39%</b>
ALLL / Gross Loans HFI	4.65%	4.38%	4.13%
NPAs / Tier 1 Capital + Allowance for Loan Losses <sup>(2)</sup>	30.77%	34.04%	35.88%
<hr/>			
<b>Tier 1 Capital Ratio</b>	<b>9.31%</b>	<b>9.07%</b>	<b>9.31%</b>
Total Risk Based Capital Ratio	17.58%	17.03%	17.64%
Tier 1 Common to Risk Weighted Assets <sup>(2)</sup>	10.32%	9.60%	9.86%
Total Equity / Total Assets	8.39%	8.20%	8.44%

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

(2) See Non-GAAP reconciliation.



## Condensed Income Statement

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

**-- Net income to common stockholders was \$79.7 million for the third quarter 2012, the second consecutive quarter of profitability...**

*(\$ in millions, except per share data)*

	Q3 2012	Q2 2012	Q3 2011
Net interest income	\$73.1	\$75.5	\$65.6
Provision for loan losses	52.6	58.4	36.7
Net interest income after provision for loan losses	20.5	17.1	28.9
Non-interest income	273.7	240.3	112.6
Non-Interest expense	233.5	169.5	150.7
Income (loss) before federal income taxes	60.7	87.9	(9.2)
(Benefit) provision for federal income taxes	(20.4)	0.5	0.3
Net income (loss)	81.1	87.4	(9.5)
Preferred stock dividend/accretion <sup>(1)</sup>	(1.4)	(1.4)	(4.7)
Net income (loss) applicable to common stockholders	<b>\$79.7</b>	<b>\$86.0</b>	<b>(\$14.2)</b>
Diluted earnings (loss) per Share <sup>(2)</sup>	\$1.36	\$1.47	(\$0.26)

(1) The preferred stock dividend/accretion for Q3 2012 and Q2 2012 represents only the accretion. On January 27, 2012, the Company elected to defer payment of dividends and interest on the preferred stock.

(2) Restated for a one-for-ten reverse stock split announced September 27, 2012 and effective on October 10, 2012.

**Totals may not foot due to rounding**



## Select Balance Sheet Items

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- During the quarter we sold our remaining non-agency CMO portfolio ...

<i>(\$ in millions)</i>			
	<u>As of Sep 30, 2012</u>	<u>As of Jun 30, 2012</u>	<u>As of Sep 30, 2011</u>
Total assets	<u>\$14,899.2</u>	<u>\$14,368.4</u>	<u>\$13,734.0</u>
Cash and interest earning deposits	\$1,003.4	\$1,270.4	\$902.8
Residential first mortgage loans	3,086.1	3,102.1	3,828.1
Second mortgage loans	122.3	127.4	146.5
Commercial real estate loans	1,005.5	1,075.0	1,268.9
Warehouse loans	1,307.3	1,261.4	995.7
Consumer lending (including HELOC and other)	245.3	255.8	305.9
Other commercial loans	<u>785.9</u>	<u>728.4</u>	<u>276.7</u>
Investment loan portfolio	\$6,552.4	\$6,550.3	\$6,821.7
Loans held for sale	\$3,251.9	\$2,459.5	\$2,080.9
Loans repurchased with government guarantees	1,931.2	1,999.1	1,746.0
Securities classified as trading	170.1	169.8	312.8
Securities classified as available for sale	198.9	424.8	521.3
Mortgage servicing rights	686.8	638.9	437.3

Totals may not foot due to rounding



\$ in millions				
	Q3 2012	Q2 2012	Q3 2011	
	Consumer <sup>(1)</sup>	\$53.9	\$62.1	\$91.3
	Commercial <sup>(1)</sup>	\$9.6	\$1.7	\$13.7
	Total 30 - 59 Days Past Due	\$63.5	\$63.8	\$105.0
<b>-- Past due loans stabilized or improved...</b>	Consumer <sup>(1)</sup>	\$26.7	\$24.8	\$46.0
	Commercial <sup>(1)</sup>	\$0.4	\$2.3	\$10.5
	Total 60 - 89 Days Past Due	\$27.1	\$27.1	\$56.5
	Consumer <sup>(1)</sup>	\$276.3	\$293.5	\$352.4
	Commercial <sup>(1)</sup>	\$122.6	\$138.1	\$92.5
	Total Greater than 90 days Past Due	\$398.9	\$431.6	\$444.9
<b>-- The ratio of NPAs to total assets improved...</b>	Non-performing Assets <sup>(2)</sup>	\$520.5	\$541.3	\$561.6
	To Total Assets (Bank only)	3.48%	3.75%	4.09%
	Provision for Loan Losses	\$52.6	\$58.4	\$36.7
	Charge-offs, Net of Recoveries	\$34.6	\$52.4	\$28.7
<b>-- The coverage of ALLL to NPLs and to total loans improved...</b>	Allowance for Loan Losses	\$305.0	\$287.0	\$282.0
	To Loans Held for Investment	4.65%	4.38%	4.13%
	To Non-performing Loans	76.5%	66.5%	63.4%
	Real Estate Owned	\$119.5	\$107.2	\$113.4

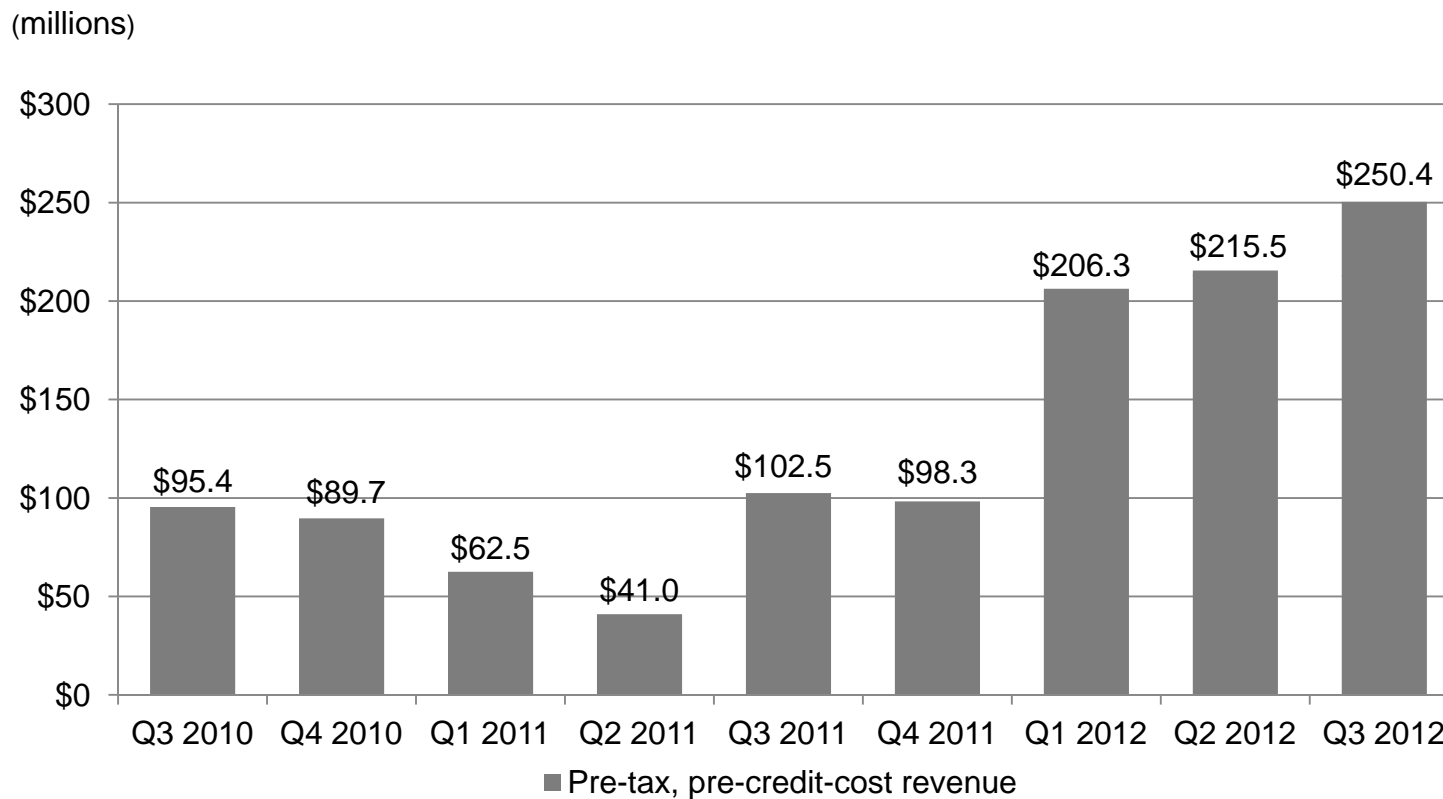
(1) Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial, and commercial lease financing loans

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

Totals may not foot due to rounding



-- Pre-tax, pre-credit-cost revenue continues to grow, driven by the strength of the mortgage banking business...



Note: See Non-GAAP reconciliation.

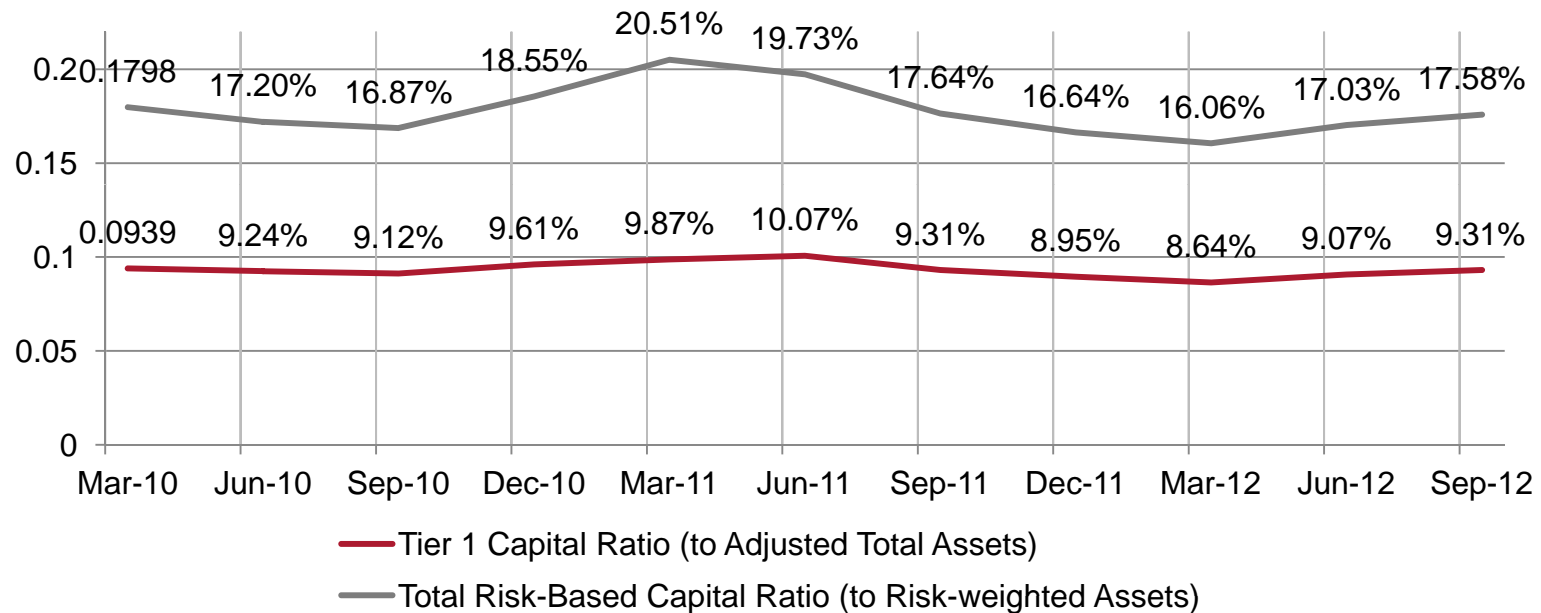




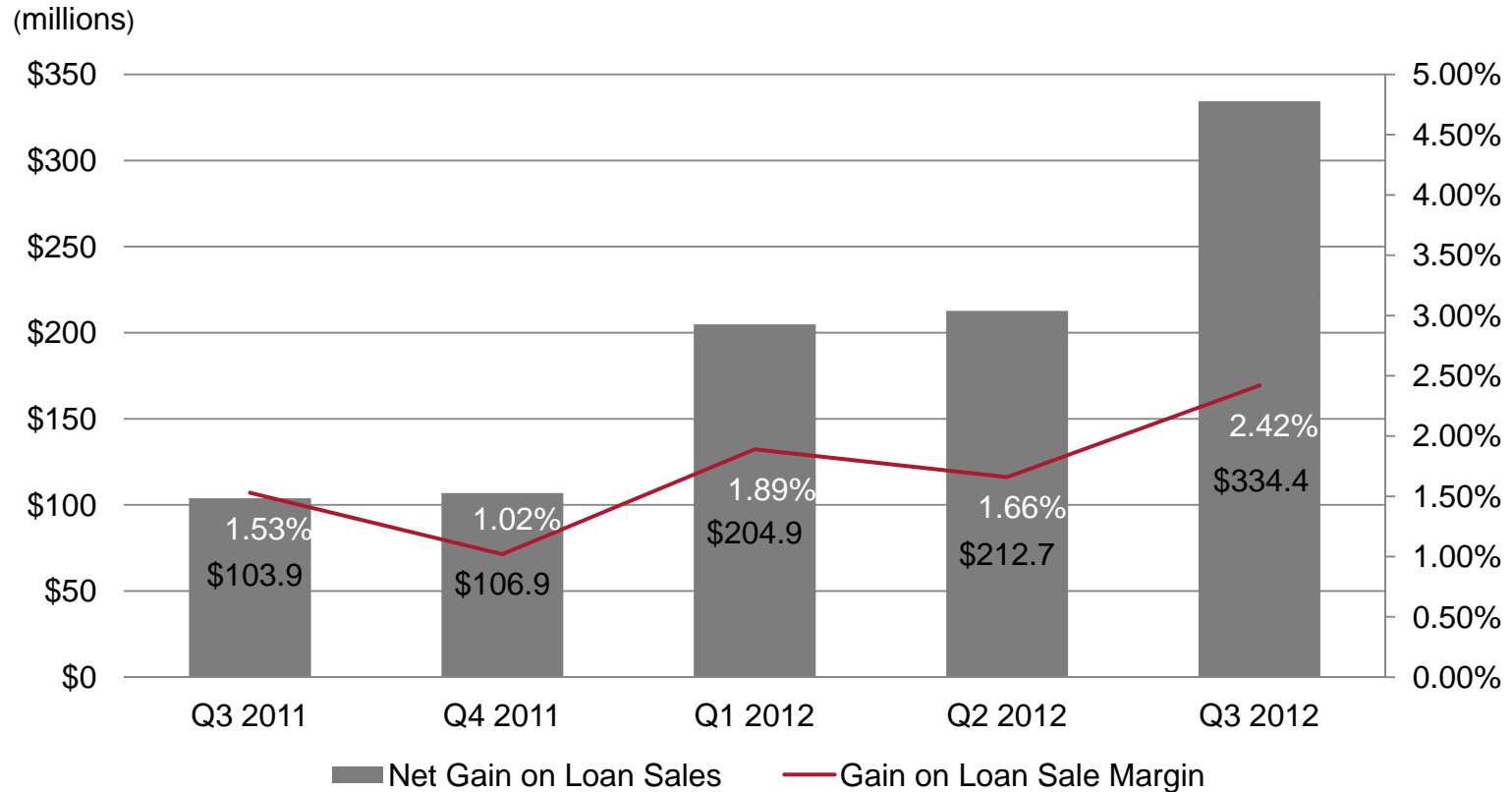
## Regulatory Capital Ratios

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- The regulatory capital ratios, especially the Tier 1 capital ratio, increased from the prior quarter, reflecting the quarter's profitable results...



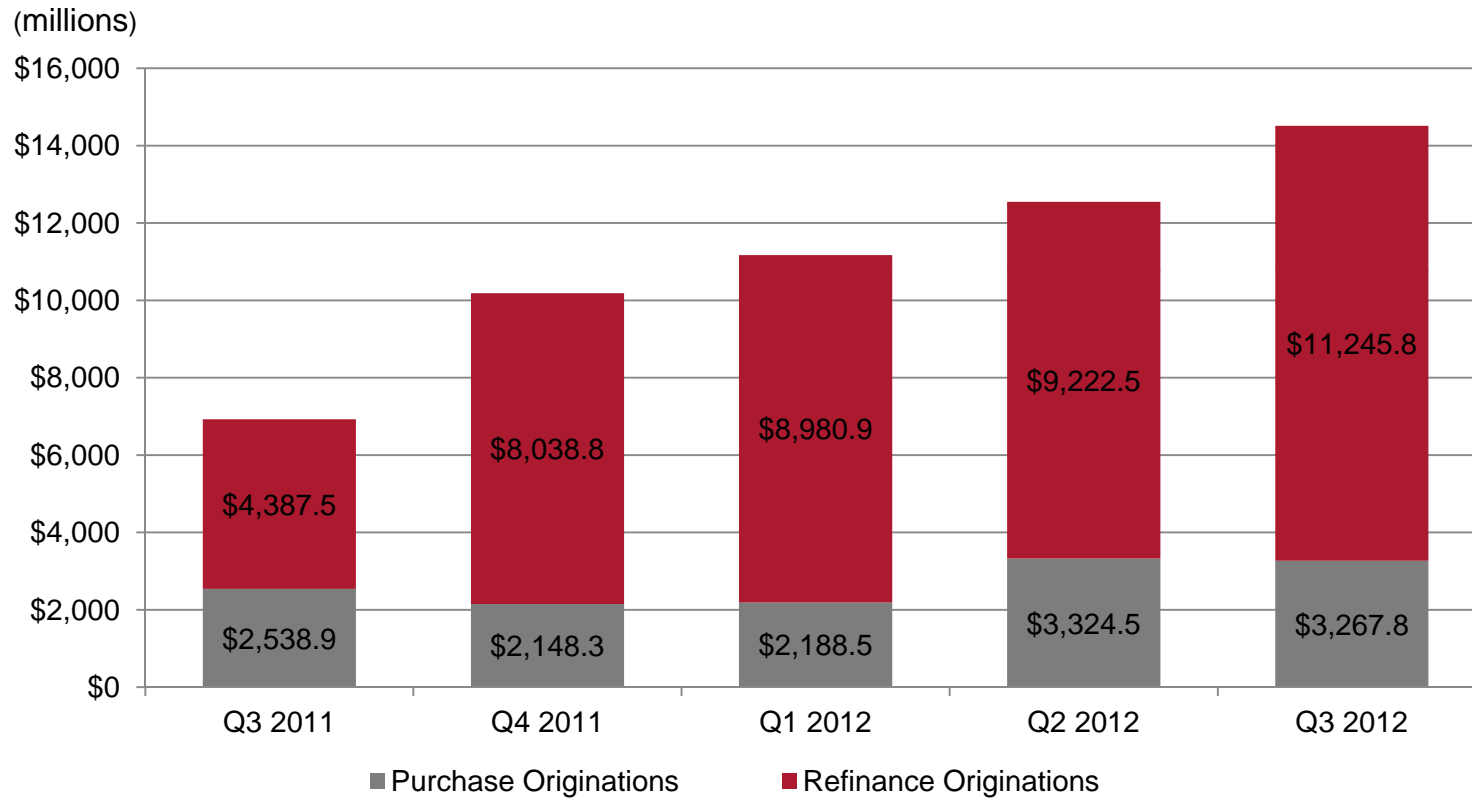
-- Net gain on loan sales continued to increase, driven by higher margins and increasing volume...



## Mortgage Originations

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

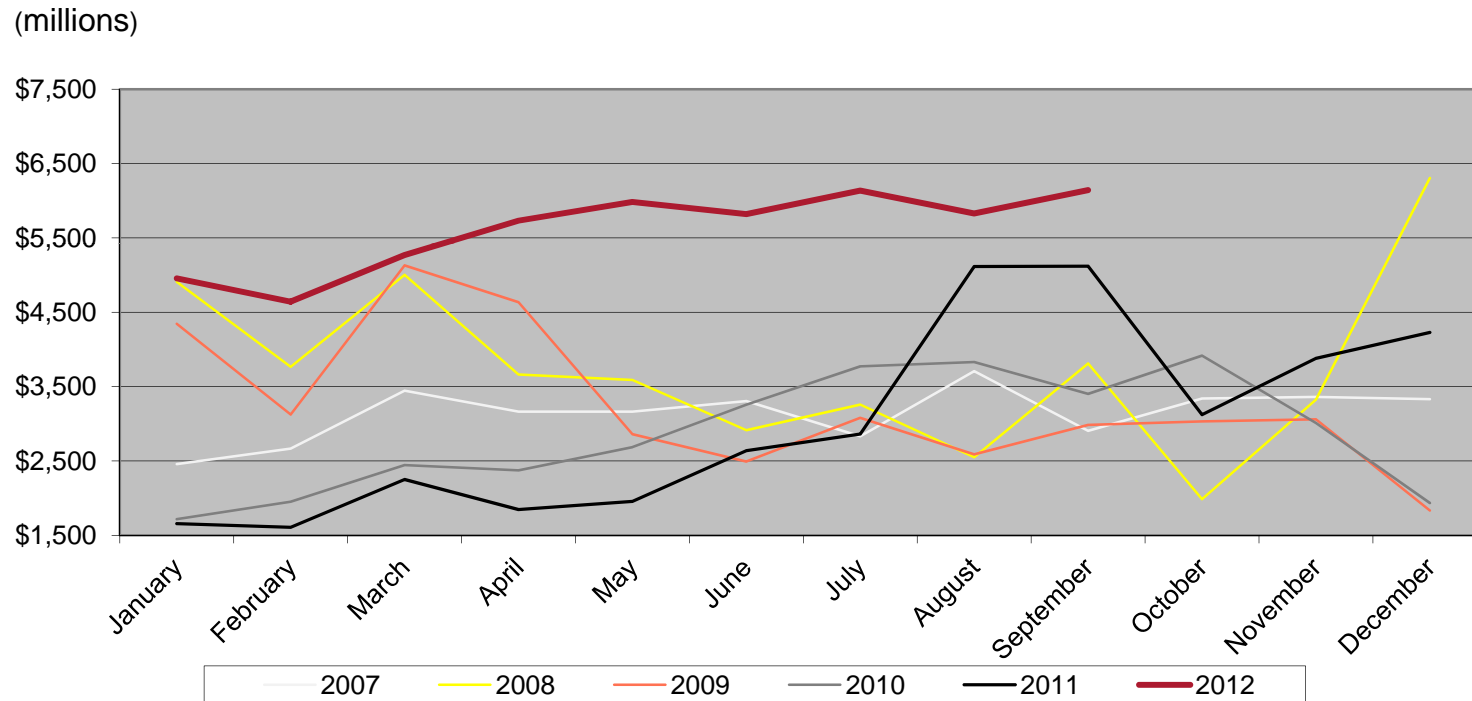
*-- Mortgage originations continued to grow overall, with increasing refinance business and continued demand for purchase loans similar to the prior quarter...*



# Historical Monthly Lock Volume

# 3<sup>rd</sup> Quarter 2012 Earnings Presentation

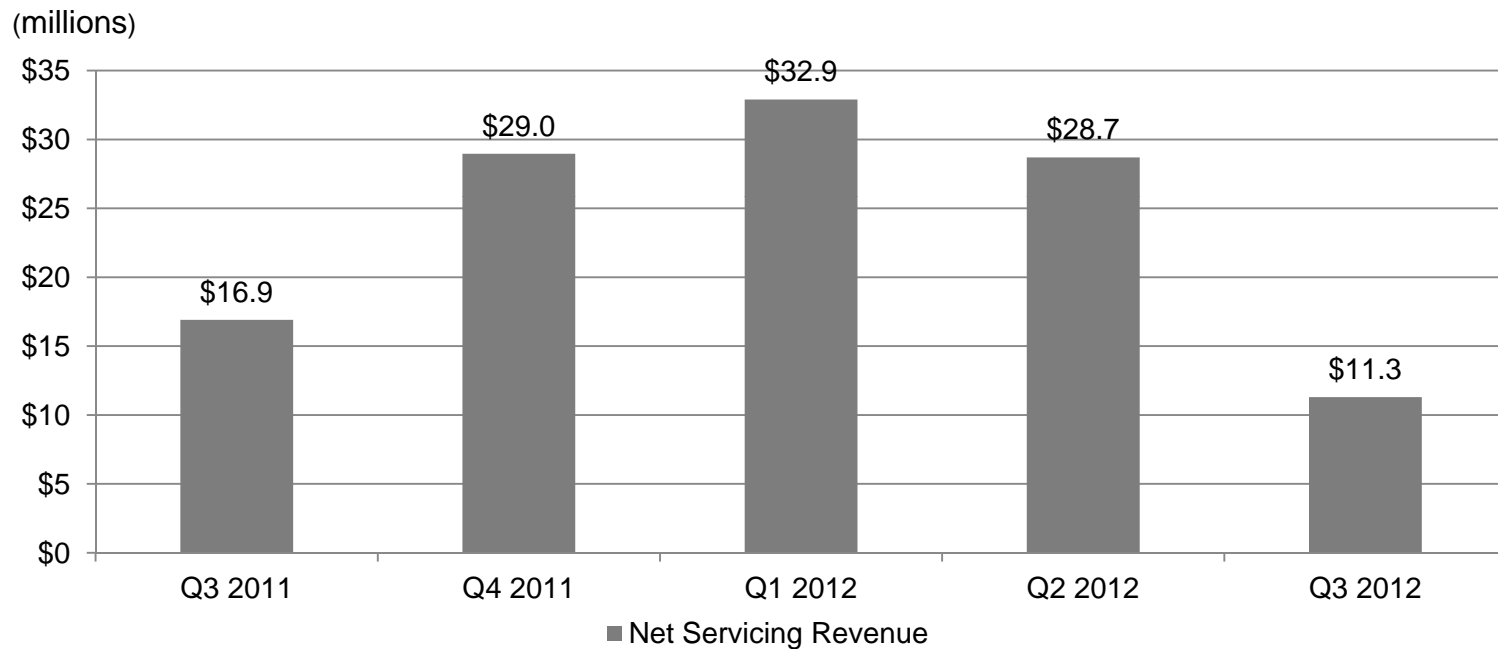
-- Current lock volume (see thick red line, below) is well above the 5-year levels for each of the months so far this year...



## Net Servicing Revenue

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

*-- Net servicing revenue, which is income arising from mortgage servicing rights plus hedges, declined in the current quarter as prepayment speeds increased due to refinances, and as the interest rate market experienced significant volatility during the quarter...*

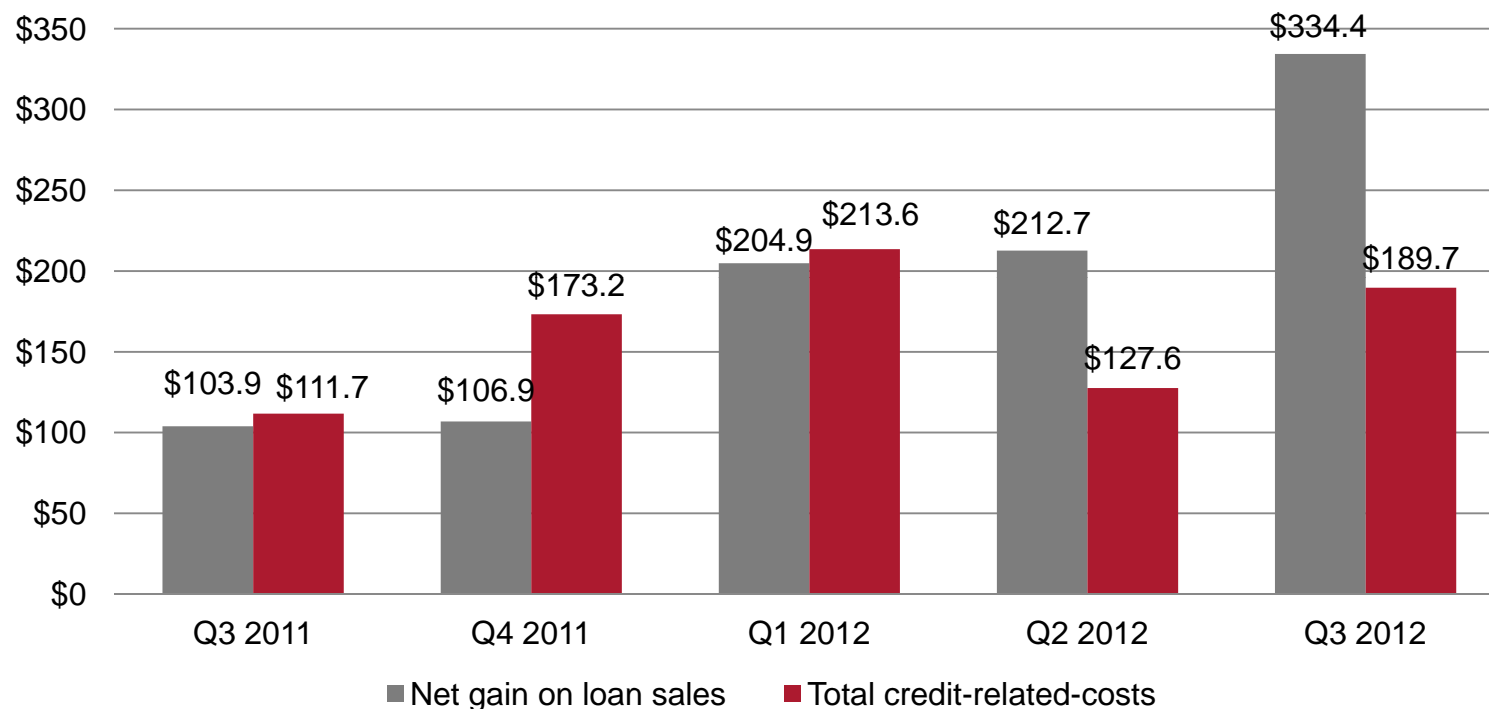


Note: Net servicing revenue includes net loan administration income and net gain (loss) on trading securities.



## Mortgage Banking Revenue Supporting Bank

*-- Mortgage banking revenue continues to support the Bank's business model, offsetting or exceeding legacy credit costs over the last several quarters...*



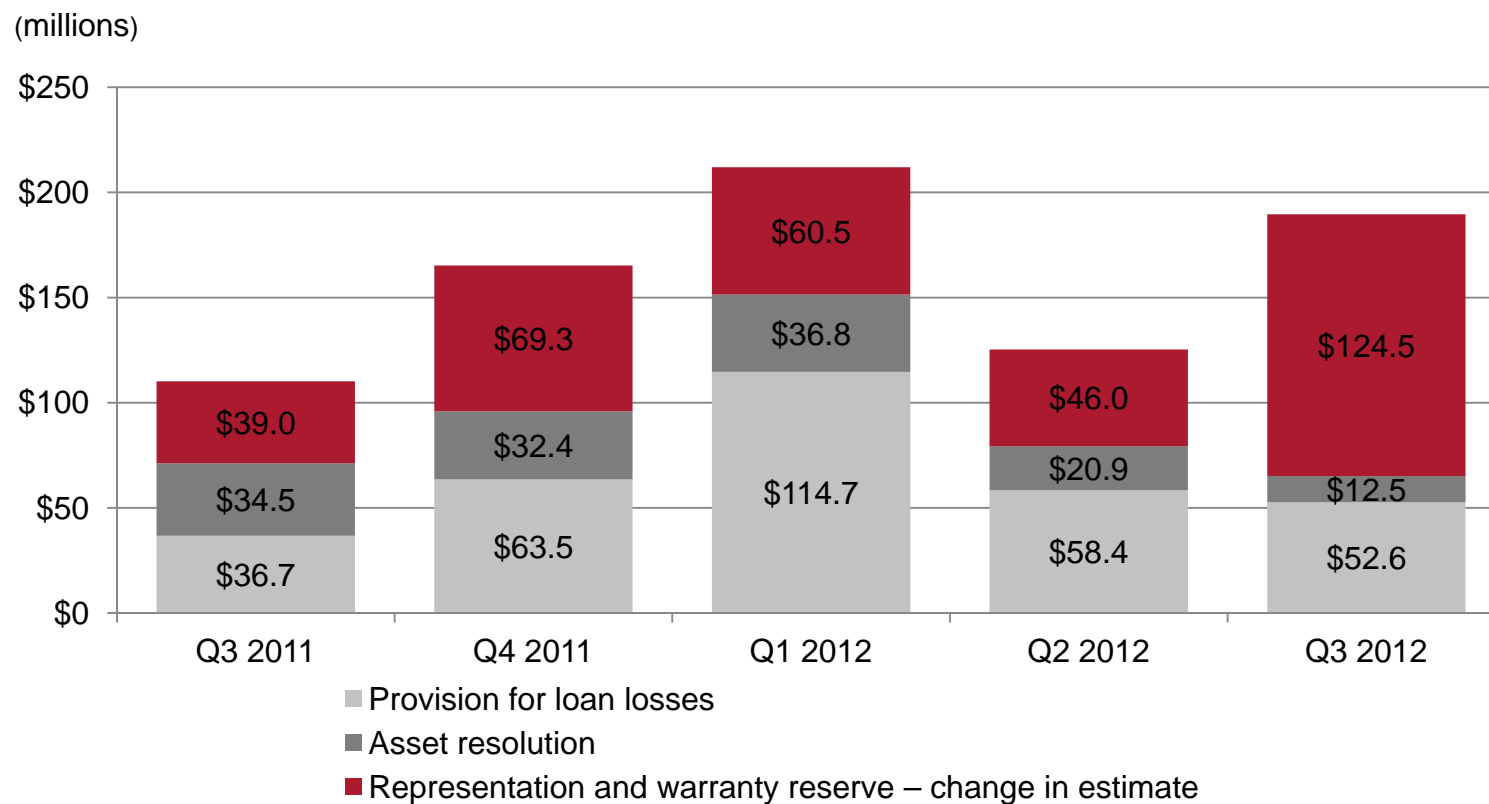
	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
<b>Mortgage Locks (billions)</b>	\$13.1	\$11.2	\$14.9	\$17.5	\$18.1
<b>Mortgage Originations (billions)</b>	\$6.9	\$10.2	\$11.2	\$12.5	\$14.5



## Primary Credit Related Costs

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

*-- Credit costs for the quarter were primarily affected by expenses for the representation and warranty reserve, as we increased our reserve in light of new information obtained from the GSEs, as well as current trends in repurchase demands, appeal rates and loss severity...*



## Representation and Warranty Reserve

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- The R&W reserve was increased to reflect an updated forecast for future demands based on the latest available data...

(\$ in millions)	3Q11	4Q11	1Q12	2Q12	3Q12
Beginning balance	\$79.4	\$85.0	\$120.0	\$142.0	\$161.0
Additions	\$40.8	\$72.8	\$65.6	\$51.7	\$130.9
Net charge-offs	(\$35.2)	(\$37.8)	(\$43.6)	(\$32.7)	(\$89.9)
<b>Ending Balance</b>	<b>\$85.0</b>	<b>\$120.0</b>	<b>\$142.0</b>	<b>\$161.0</b>	<b>\$202.0</b>

Totals may not foot due to rounding

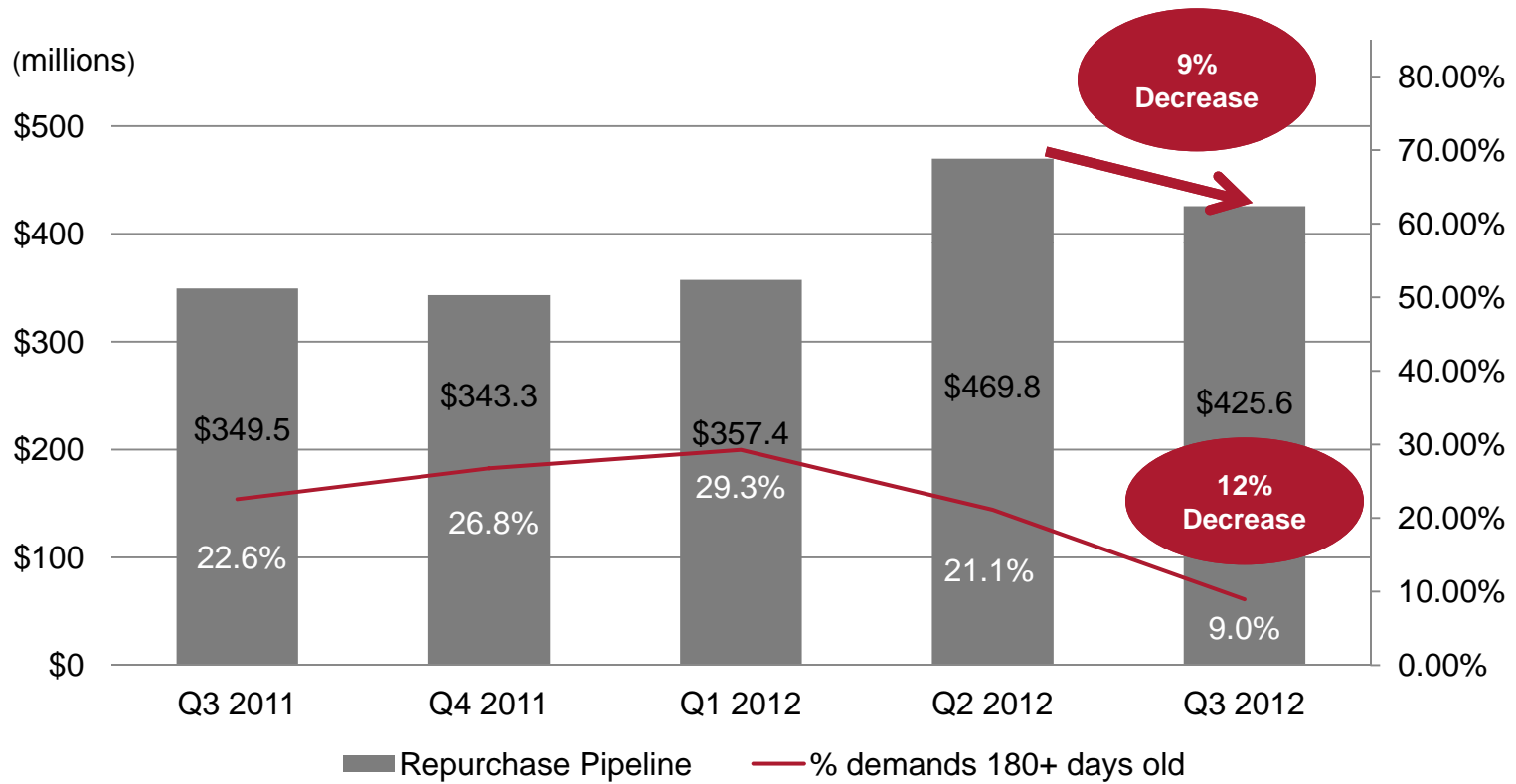




# Repurchase Pipeline (UPB)

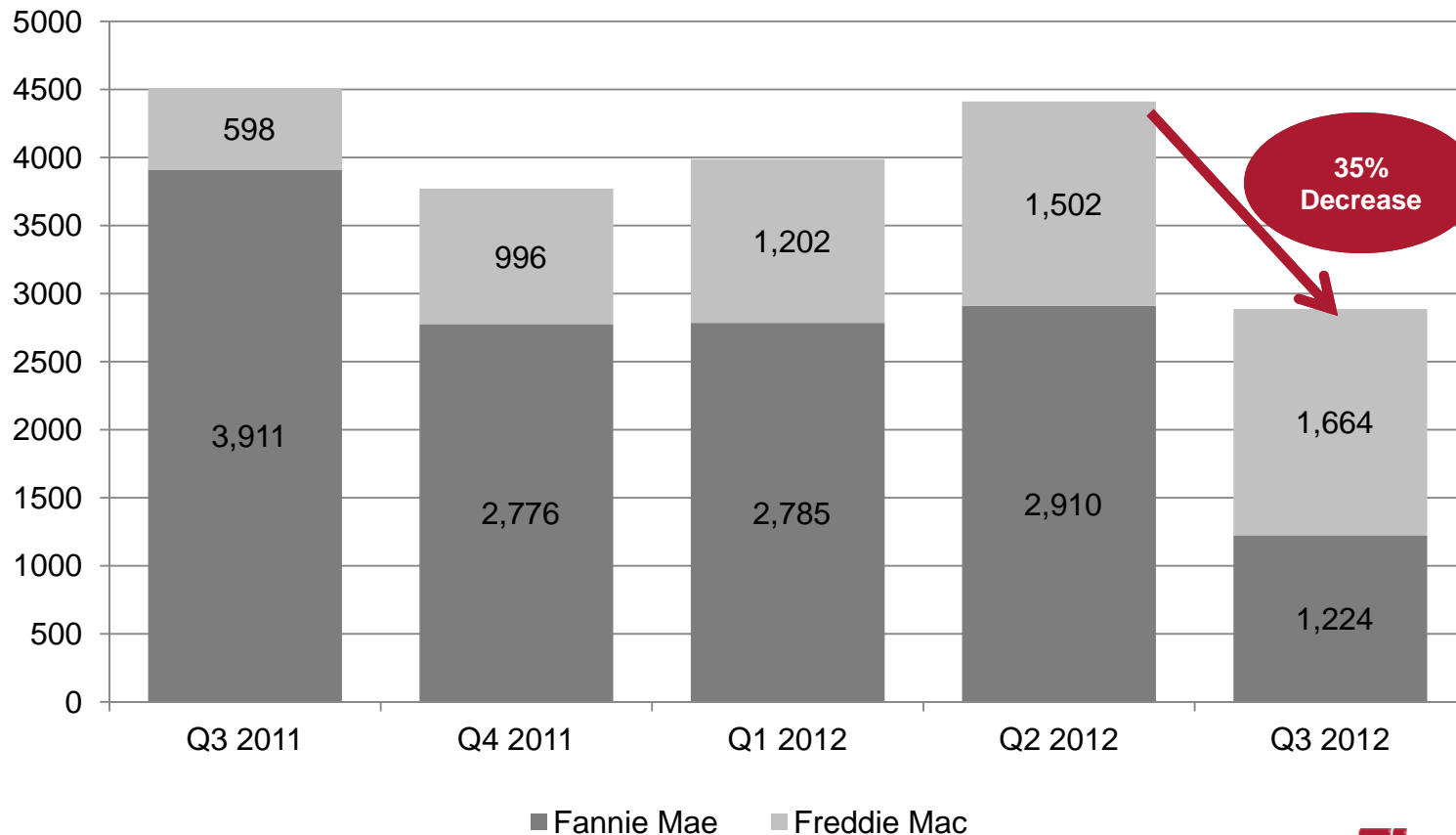
## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- Focus on pipeline demands during the quarter substantially reduced both the overall pipeline and the level of demands aged 180+ days...



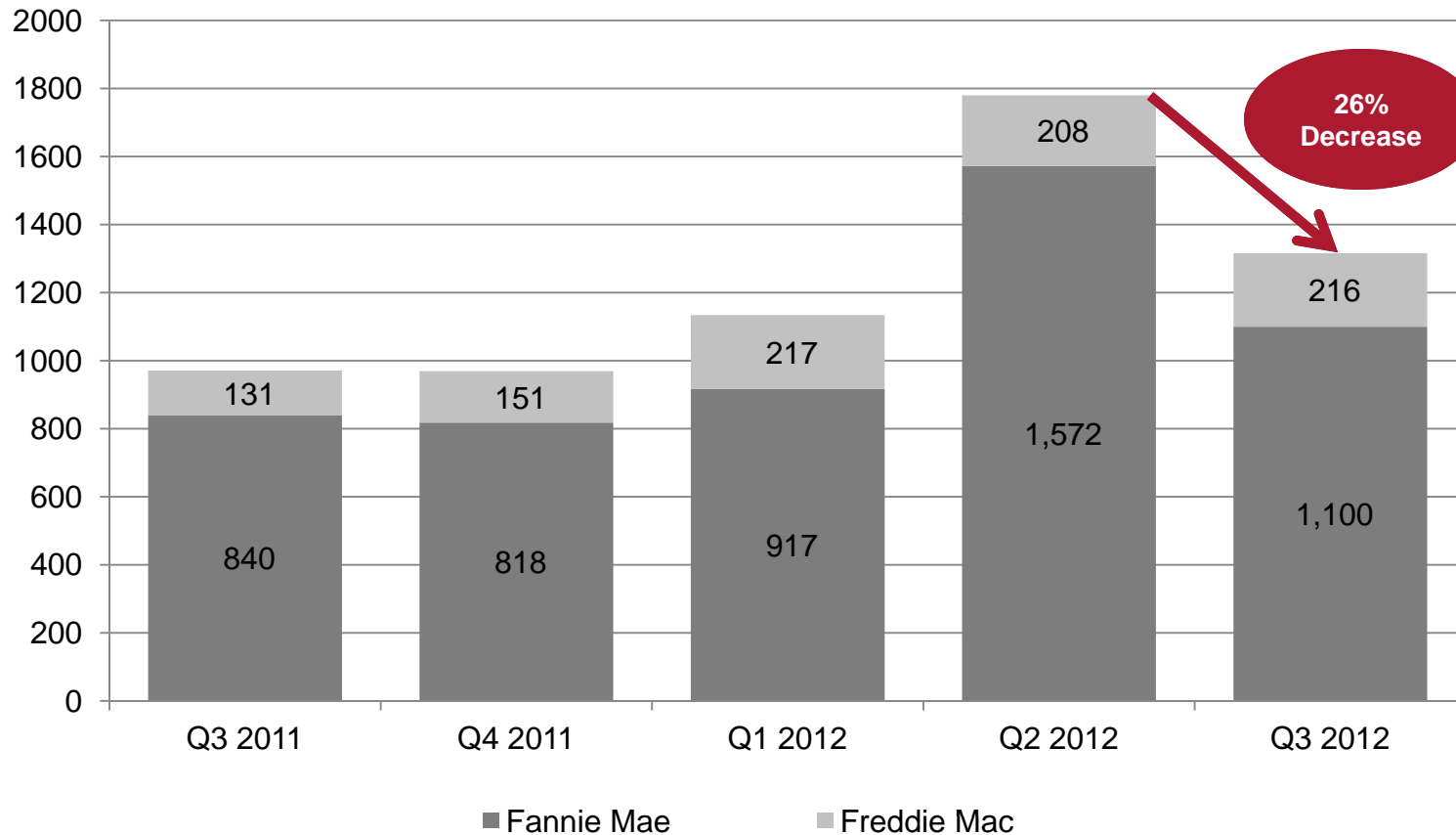
-- Fannie Mae audit file review requests, a leading indicator of repurchase demands, decreased significantly from the prior quarter, with Freddie Mac file review requests increasing slightly...

Audit File Review Requests (units)



-- New demands made by the GSEs following audit file reviews have declined with Fannie Mae, and have remained relatively flat over the last three quarters with Freddie Mac...

New Demands (units)



## New Demands by Vintage (UPB)

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- New demands by the GSEs reflect a decline in loans across all vintages, with a continued emphasis on 2007 – 2008 vintage loans...

(\$ in millions)	3Q11	4Q11	1Q12	2Q12	3Q12
2005 & Prior	\$13	\$13	\$18	\$26	\$16
2006	31	32	28	34	24
2007	87	87	93	136	113
2008	45	45	63	89	57
2009-2012	24	15	36	62	50
<b>Total</b>	<b>\$201</b>	<b>\$193</b>	<b>\$239</b>	<b>\$347</b>	<b>\$259</b>

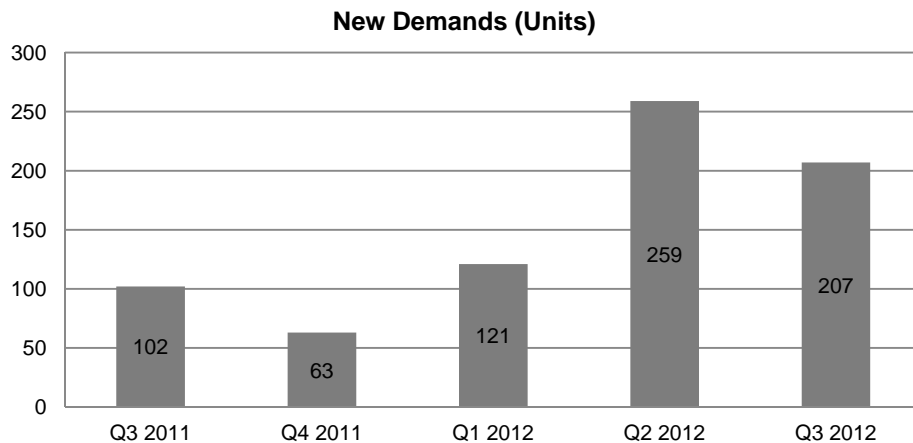
Breakout of 3Q12 Demands			
(\$ in millions)	Fannie Mae	Freddie Mac	Total
2005 & Prior	\$14	\$2	\$15
2006	18	5	23
2007	108	5	111
2008	53	4	57
2009-2012	18	32	51
<b>Total</b>	<b>\$211</b>	<b>\$48</b>	<b>\$259</b>

Totals may not foot due to rounding

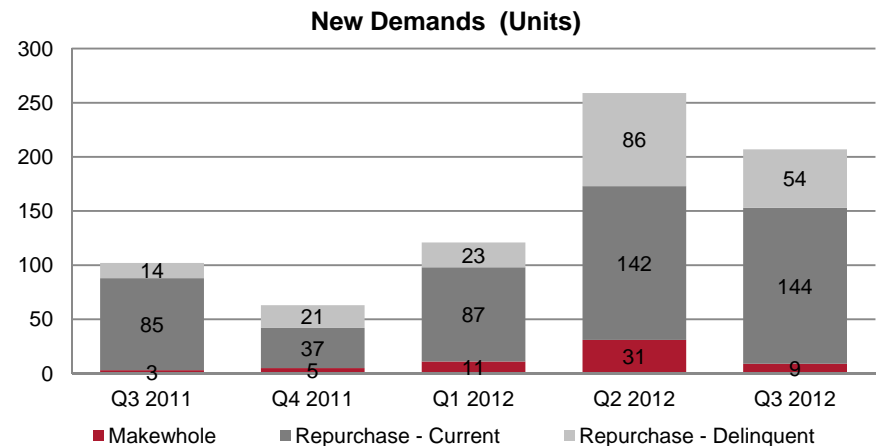


*-- While new demands in the 2009 – 2012 vintage have increased over the last two quarters, we believe losses associated with those demands will be relatively insignificant...*

- New demands for these vintages decreased by 20% from the prior quarter
- Substantial percentage (66% on average over last 5 quarters) of these new demands are for performing loans, with a significant portion related to curable documentation and similar issues.

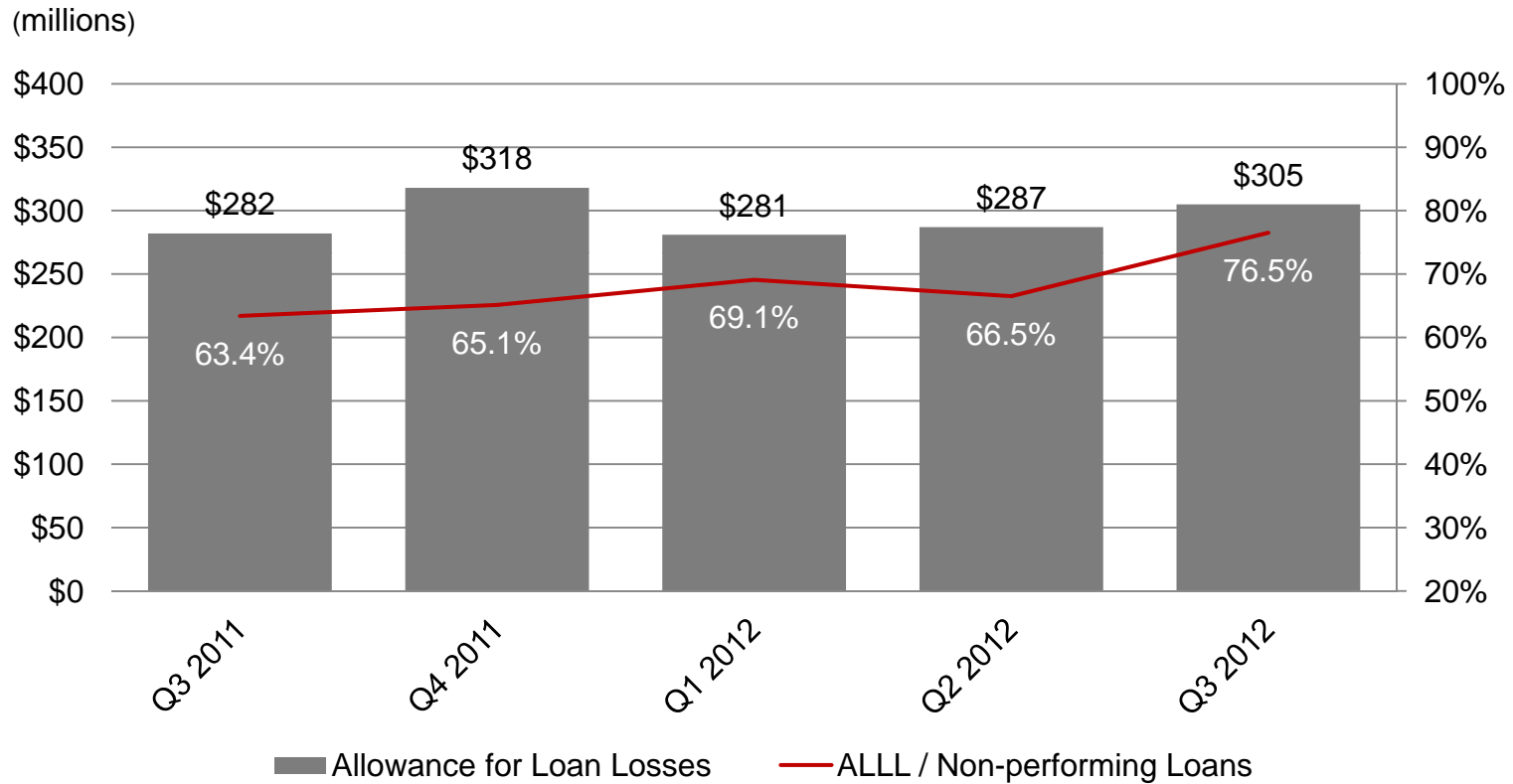


*New demands for the 2009-2012 vintages were down 20% from the prior quarter*



*Over the last 5 quarters, 66% of the new demands from the 2009 – 2012 vintages are loans that are currently "performing"*

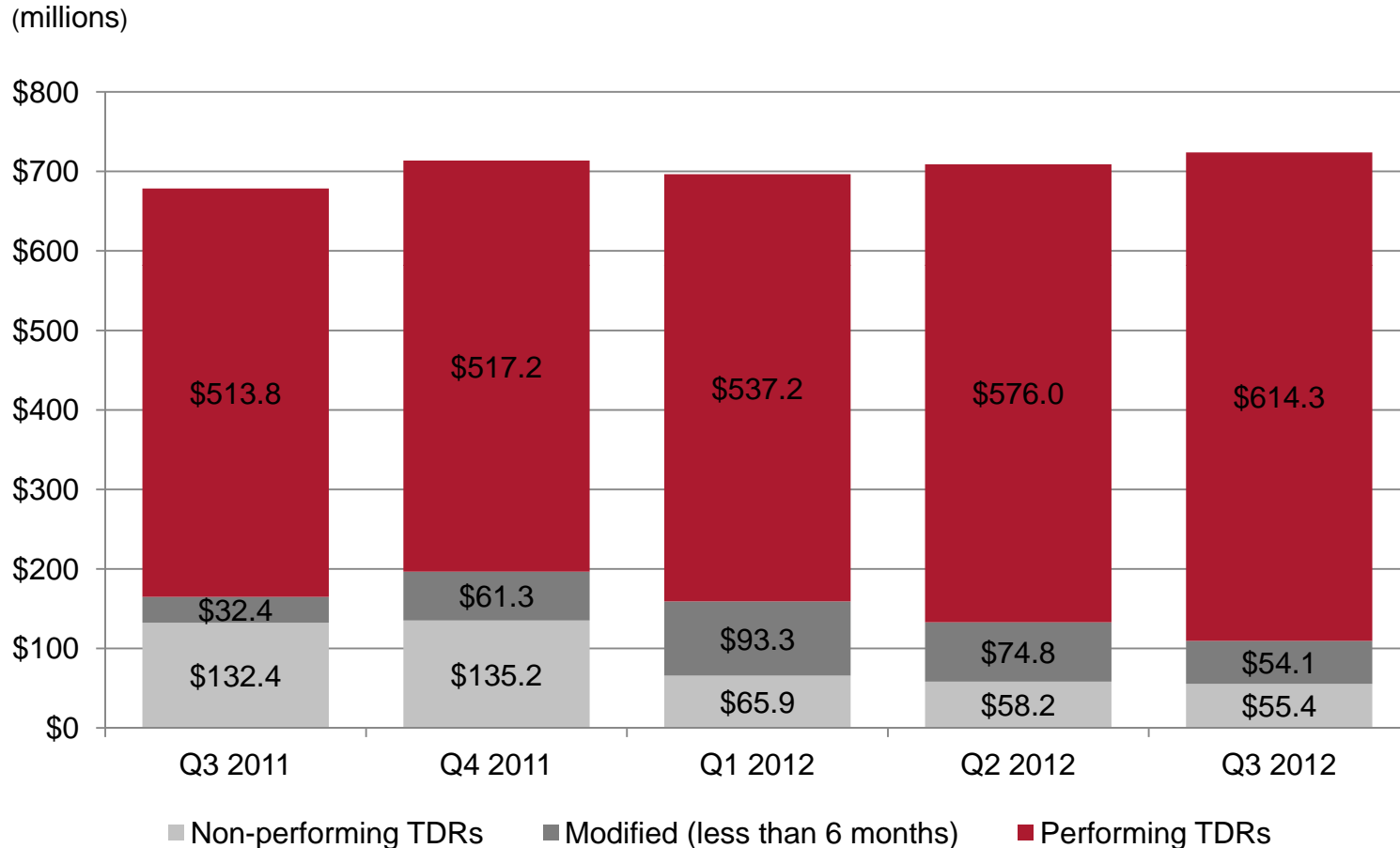
-- Loan loss reserves continue to strengthen, both in total and as a percentage of non-performing loans...



## Troubled Debt Restructurings (TDRs)

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

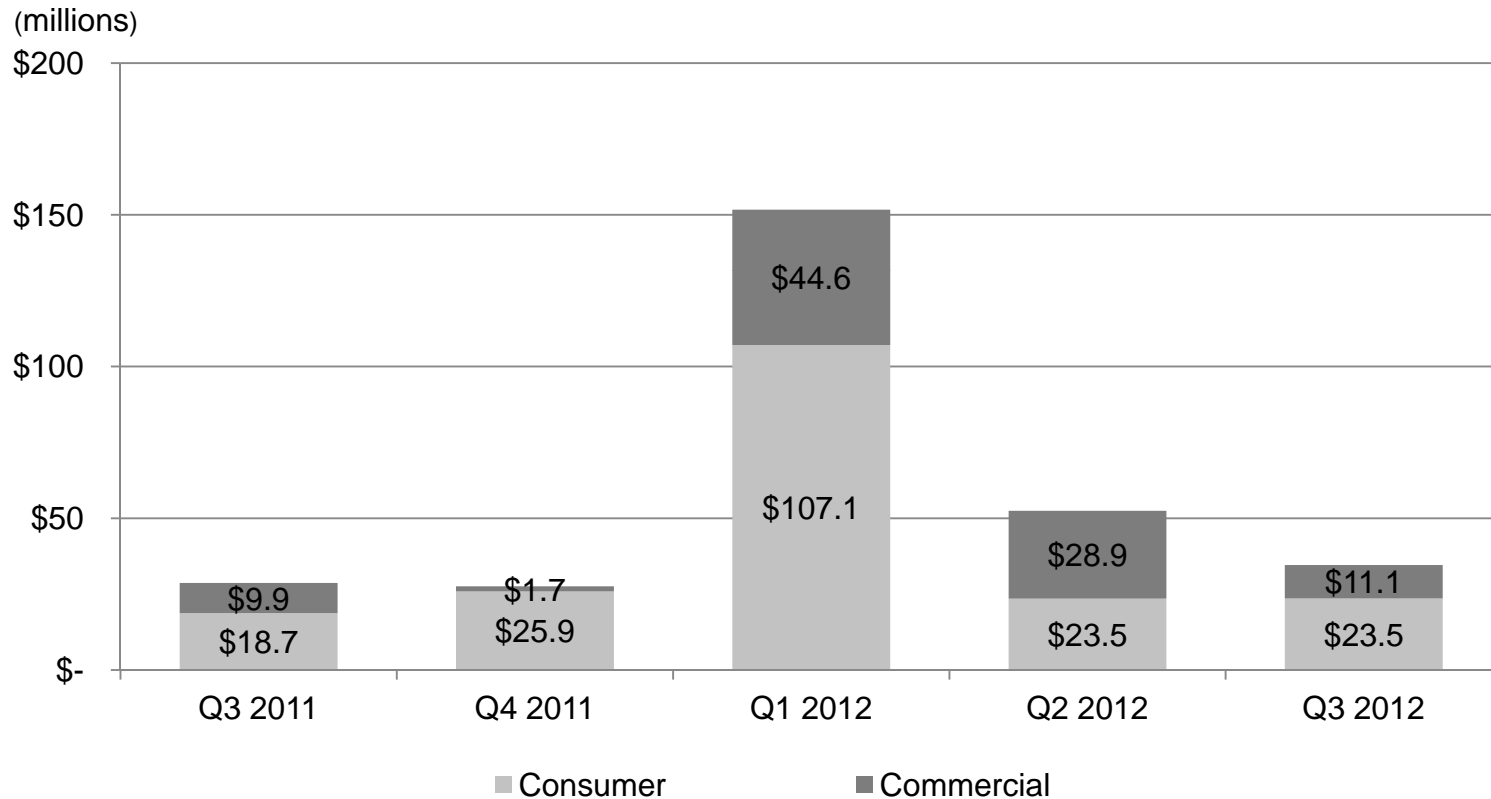
*-- Our loan modification programs continued to be active in helping consumers stay in their homes. Performing TDRs have increased by 19% in 2012, while non-performing TDRs have decreased by 59% over the same period...*



## Net Charge-offs

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- Charge-offs of our held for investment loans declined overall, reflecting a continued focus on loss mitigation strategies and generally improving economic conditions ...

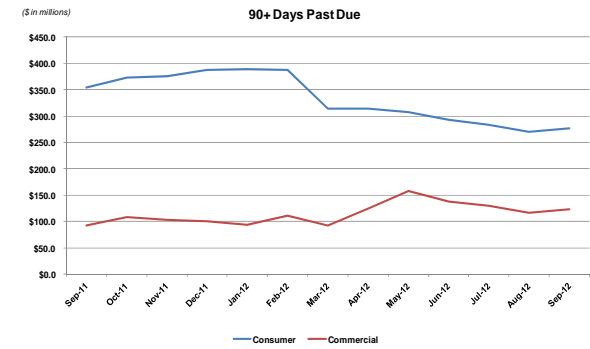
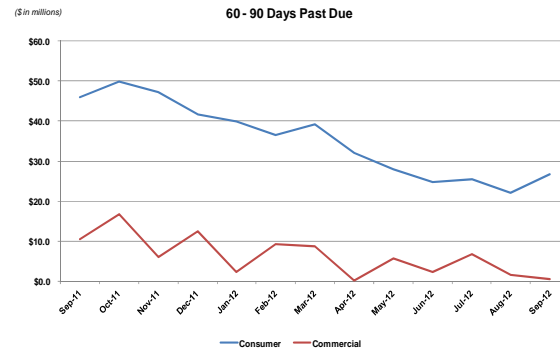
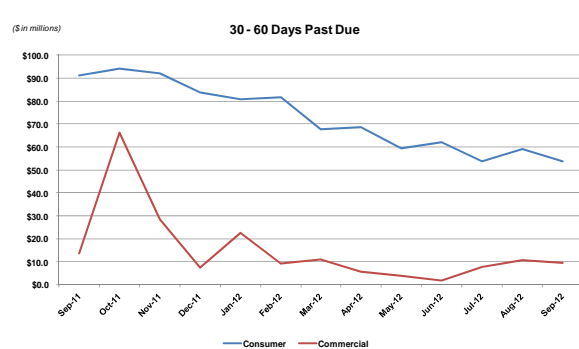
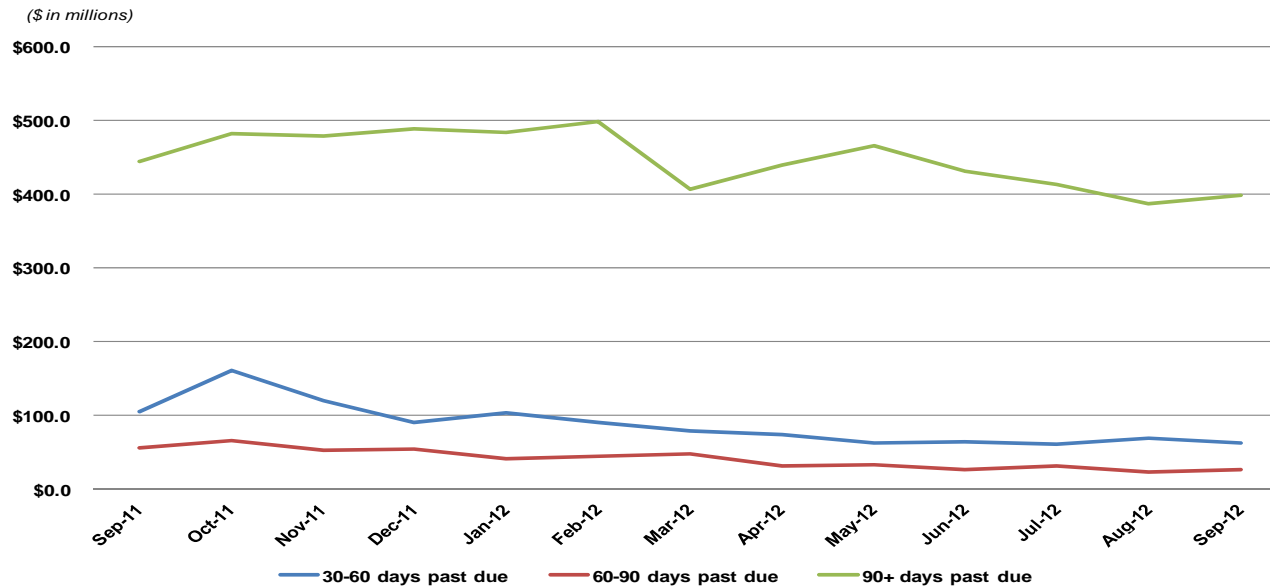


Note: Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial, and commercial lease financing loans.





-- Despite intra-quarter fluctuations, non-performing loans (i.e., 90+ days past due) declined from the prior quarter...



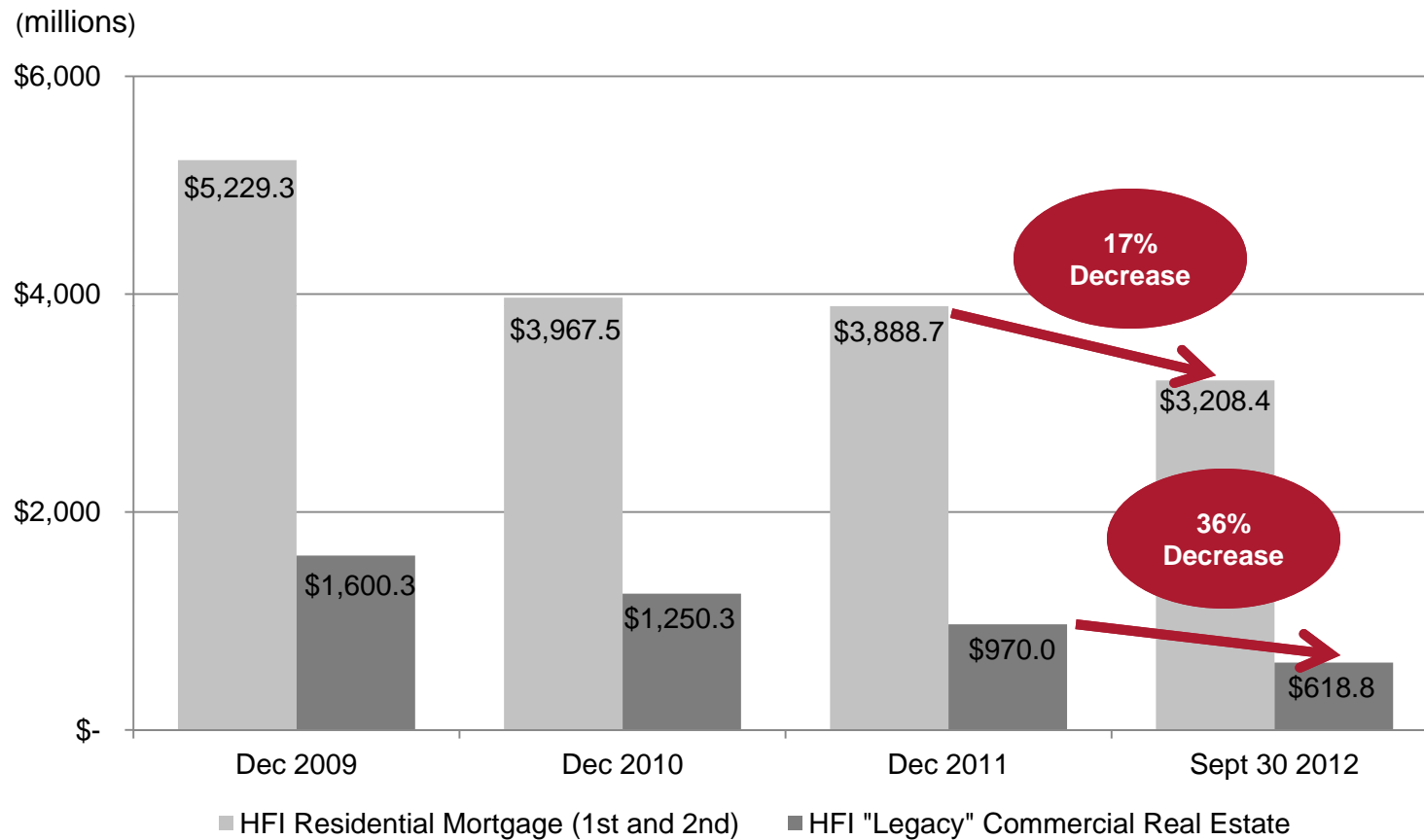
Note: Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial, and commercial lease financing loans.



## Decline in Legacy Assets

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

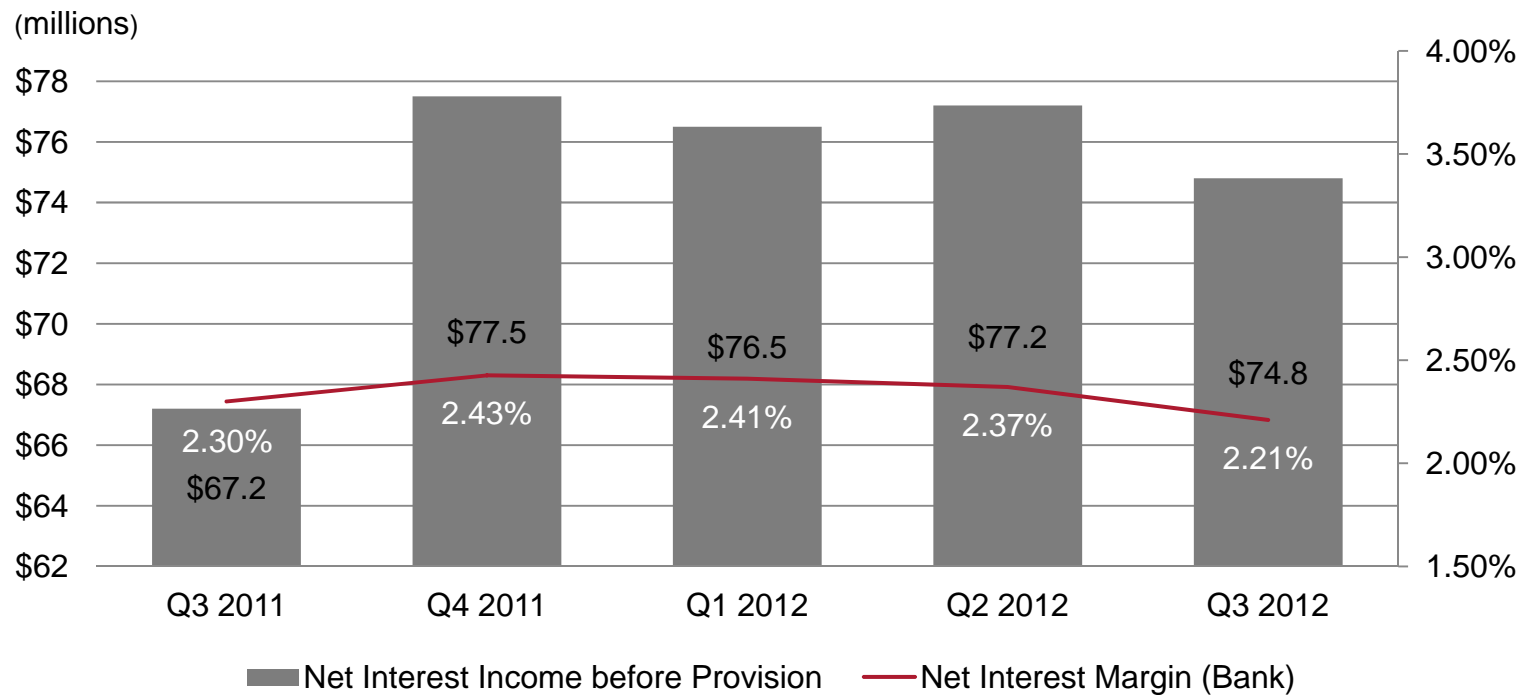
-- Overall legacy assets continue to decline, reflecting pay-downs, dispositions and mitigation efforts...



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



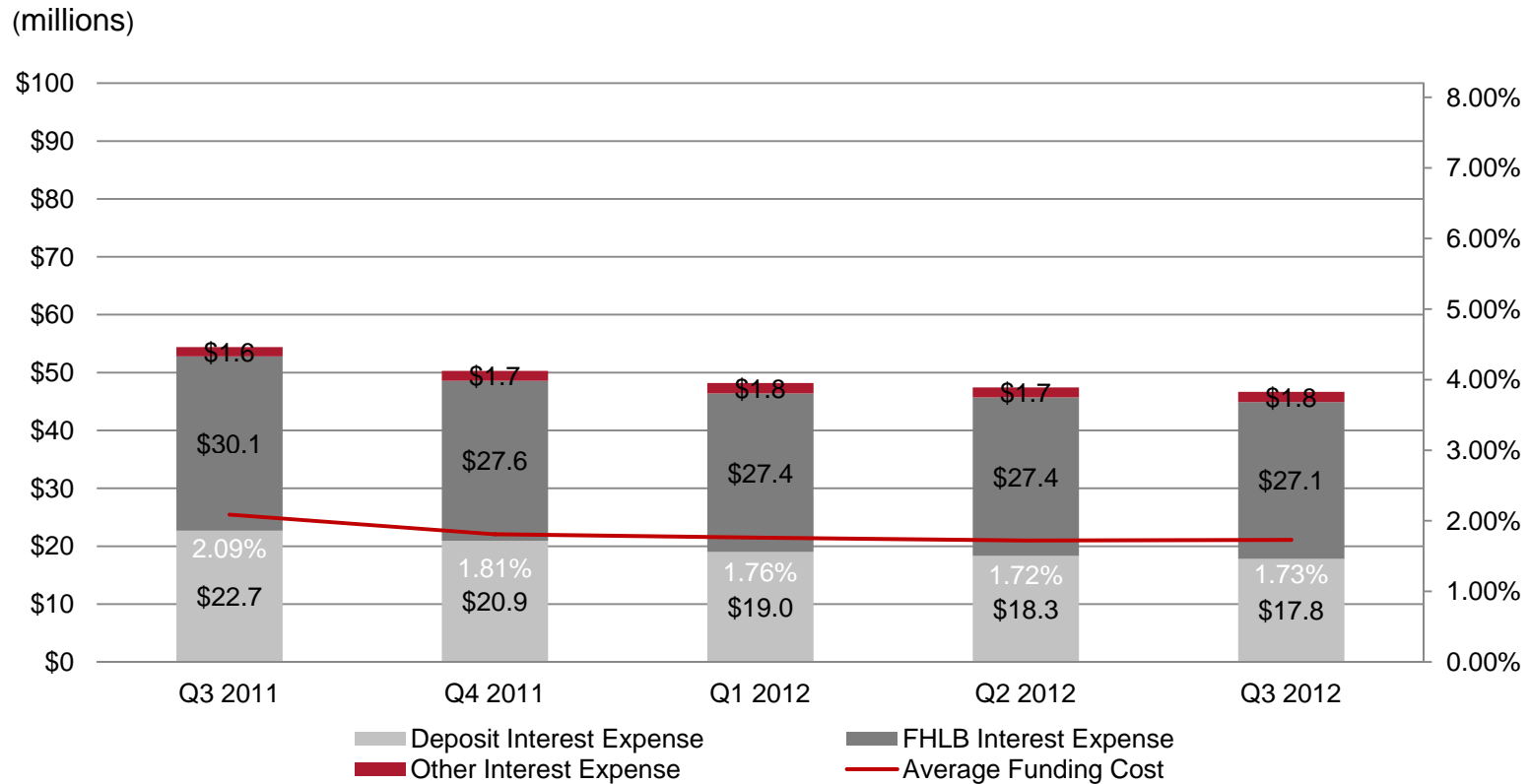
-- NIM compression reflects declines in variable yields and yields on shorter-duration assets, without any corresponding decline in overall funding costs. Also reflects increased liquidity...



## Cost of Funds

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

-- Average cost of funds remained unchanged from the prior quarter; however overall funds expense declined in both deposits and FHLB advances...



## Deposit Mix

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

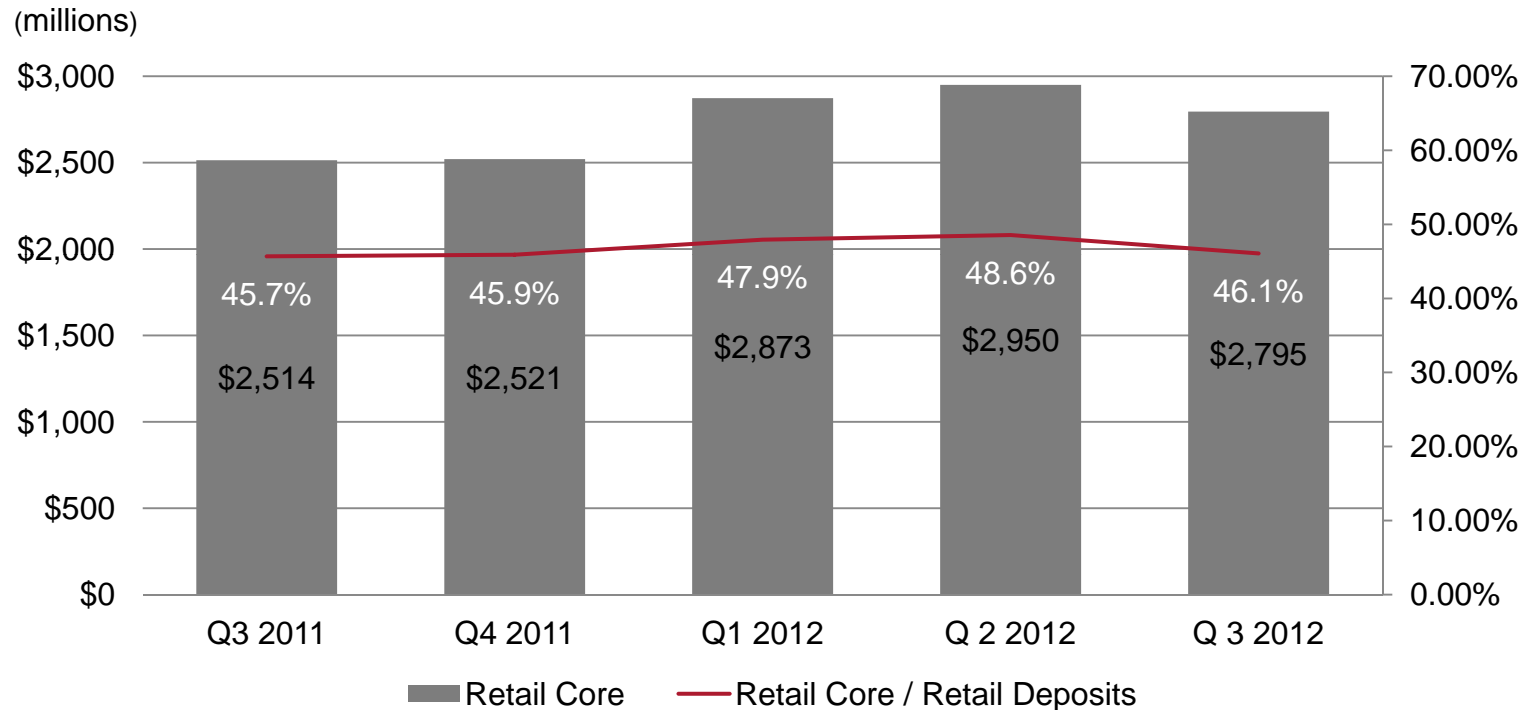
(millions)	As of Sep 30, 2012		As of Jun 30, 2012		As of Sep 30, 2011	
	<u>Balance</u>	<u>Rate</u>	<u>Balance</u>	<u>Rate</u>	<u>Balance</u>	<u>Rate</u>
<b><u>Retail Deposits:</u></b>						
Demand deposits	\$ 650	0.16%	\$ 631	0.14%	\$ 640	0.19%
Savings deposits	1,710	0.62%	1,846	0.69%	1,318	0.74%
Money market deposits	435	0.45%	474	0.47%	557	0.62%
Certificates of deposit	<u>3,272</u>	1.14%	<u>3,126</u>	1.25%	<u>2,990</u>	1.59%
Total retail deposits	6,067	0.84%	6,076	0.90%	5,504	1.13%
Core retail deposits / retail deposits	<u>46.08%</u>		<u>48.55%</u>		<u>45.67%</u>	
<b><u>Government Banking Deposits:</u></b>						
Demand deposits	103	0.36%	126	0.38%	97	0.45%
Savings deposits	353	0.51%	244	0.56%	502	0.65%
Certificates of deposit	<u>450</u>	0.60%	<u>351</u>	0.62%	<u>362</u>	0.66%
Total government banking deposits	906		721	0.56%	961	0.63%
Company controlled deposits	2,201	0.00%	1,786	0.00%	1,043	0.00%
Wholesale deposits	<u>315</u>	3.43%	<u>339</u>	3.52%	<u>619</u>	3.04%
Total deposits	<u>\$ 9,489</u>	0.70%	<u>\$ 8,923</u>	0.79%	<u>\$ 8,128</u>	1.07%
Number of banking branches	111		111		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



-- Attraction of core deposits experienced significant competition from institutions offering higher CD yields as consumers reacted to a prolonged low interest rate environment...



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





An Official Partner of Michigan Athletics



## Deposit Market Share and Competitive Landscape 3<sup>rd</sup> Quarter 2012 Earnings Presentation

- Flagstar is ranked 6th in total Michigan deposit market share for 2012, moving up one position from 2011
- Flagstar outperformed the total Michigan market with deposit growth of 30% versus 5.7% for the state, the second highest competitor was at 14%.

### Michigan Deposit Market Share

	Number of Branches	Deposits	Branch Market Share	Deposit Market Share	Power Ratio	Branch Chg	Deposit Chg	Br Market Share Chg	Deposit Market Share Chg	Power Ratio Chg
Chase	308	29,175,141	10.4%	17.5%	168%	1	14.0%	0.13%	1.28%	10.26%
Comerica	218	23,674,354	7.4%	14.2%	192%	0	8.8%	0.07%	0.41%	3.75%
PNC	241	14,947,726	8.2%	9.0%	110%	(3)	-0.7%	-0.02%	-0.58%	-6.71%
Bank of America	214	13,731,428	7.3%	8.2%	114%	(7)	-3.9%	-0.17%	-0.82%	-8.48%
Fifth Third	249	13,661,826	8.4%	8.2%	97%	0	4.6%	0.08%	-0.09%	-1.97%
<b>Flagstar</b>	<b>111</b>	<b>9,096,053</b>	<b>3.8%</b>	<b>5.5%</b>	<b>145%</b>	<b>(2)</b>	<b>30.2%</b>	<b>-0.03%</b>	<b>1.03%</b>	<b>28.30%</b>
Huntington	140	7,843,109	4.7%	4.7%	99%	11	10.2%	0.41%	0.20%	-4.97%
Citizens	156	5,923,119	5.3%	3.6%	67%	1	-1.7%	0.08%	-0.27%	-6.19%
Charter One	104	4,711,827	3.5%	2.8%	80%	(5)	1.2%	-0.13%	-0.12%	-0.44%
Chemical	143	4,383,781	4.8%	2.6%	54%	0	3.1%	0.05%	-0.07%	-1.87%
All Other	1,066	39,478,958	36.1%	23.7%	66%	(24)	1.5%	-0.47%	-0.97%	-1.82%
Total Market	2,950	166,627,322	100%	100%		(28)	5.7%			

Source: FDIC (based on most recently completed survey, June 30, 2012)



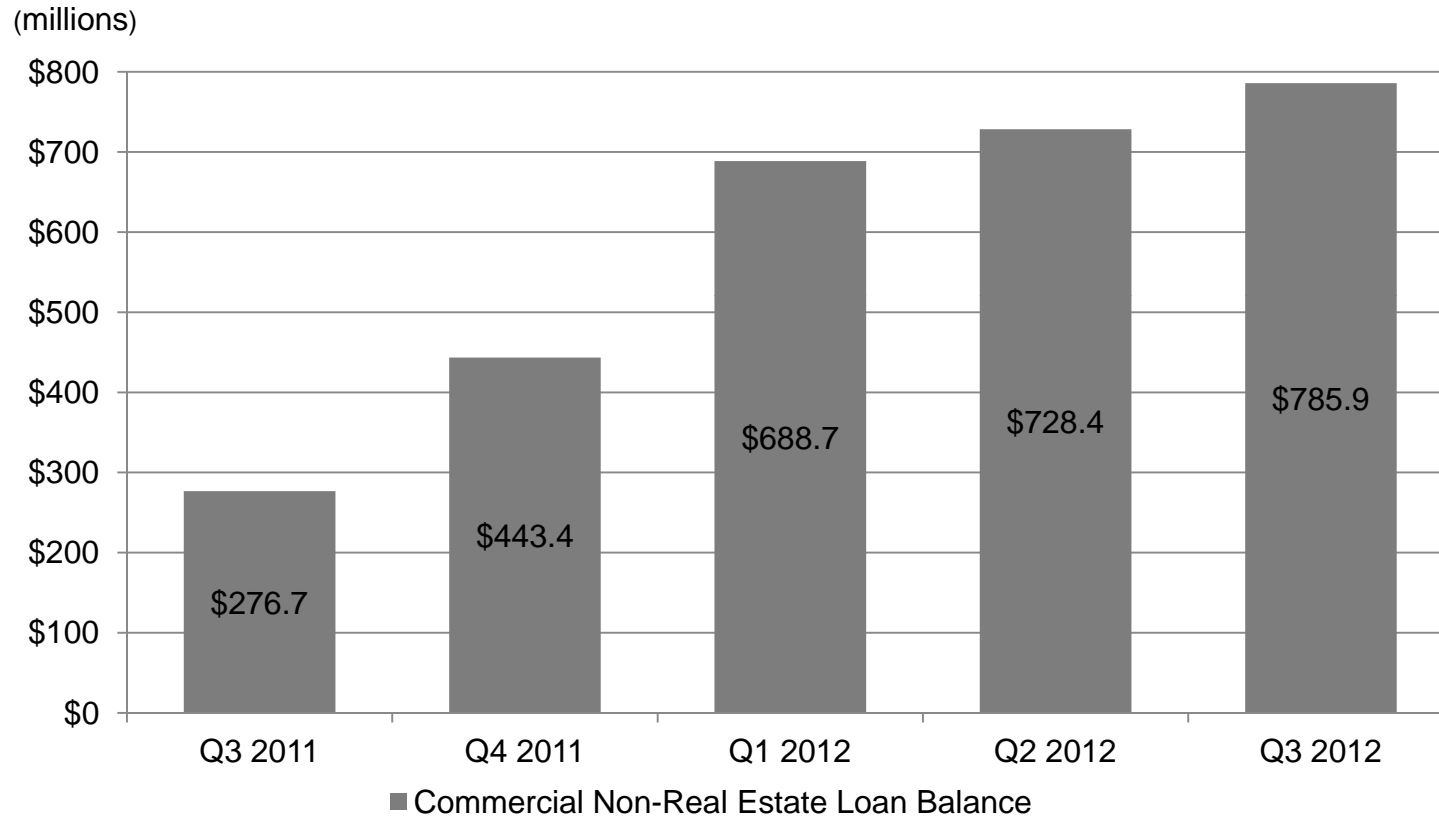


Institution	June 30, 2012			June 30, 2011			Change		
	Number of Branches	Deposits (\$000)	Branch Size	Number of Branches	Deposits (\$000)	Branch Size	Number of Branches	Deposits (\$000)	Branch Size
Comerica	218	23,674,354	108,598	218	21,760,681	99,820	0	1,913,673	8,778
Chase	308	29,175,141	94,724	307	25,593,656	83,367	1	3,581,485	11,358
<b>Flagstar</b>	<b>111</b>	<b>9,096,053</b>	<b>81,946</b>	<b>113</b>	<b>6,987,263</b>	<b>61,834</b>	<b>(2)</b>	<b>2,108,790</b>	<b>20,112</b>
Bank of America	214	13,731,428	64,166	221	14,285,495	64,640	(7)	(554,067)	(475)
PNC	241	14,947,726	62,024	244	15,053,433	61,694	(3)	(105,707)	329
Huntington	140	7,843,109	56,022	129	7,114,078	55,148	11	729,031	874
Fifth Third	249	13,661,826	54,867	249	13,066,391	52,475	0	595,435	2,391
Charter One	104	4,711,827	45,306	109	4,654,716	42,704	(5)	57,111	2,602
Citizens	156	5,923,119	37,969	155	6,024,966	38,871	1	(101,847)	(902)
All other	1,066	39,478,958	37,035	1,090	38,891,640	35,680	(24)	587,318	1,354
Chemical	143	4,383,781	30,656	143	4,251,223	29,729	0	132,558	927
Michigan	2,950	166,627,322	56,484	2,978	157,683,542	52,949	(28)	8,943,780	3,534

Source: FDIC (based on most recently completed survey, June 30, 2012)



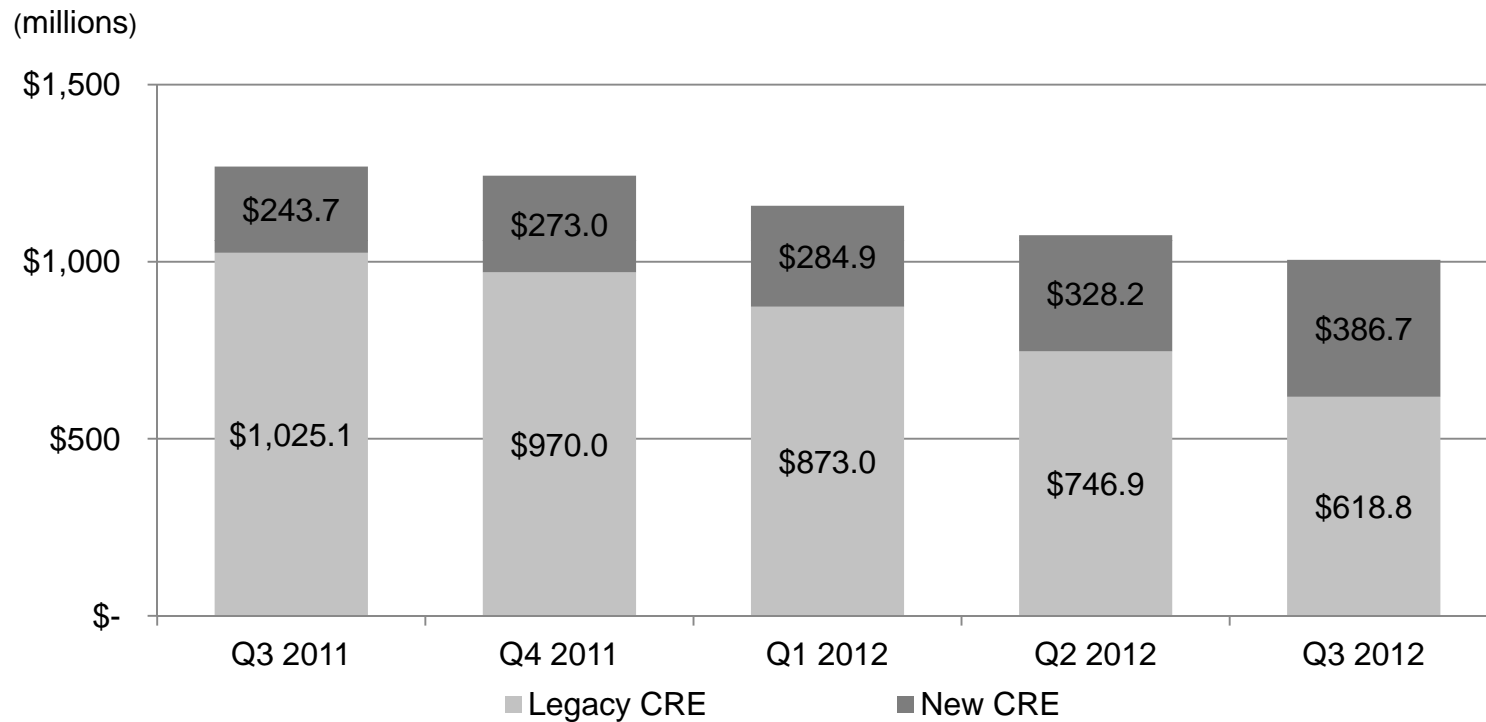
-- Portfolio growth during the quarter reflects the continued emphasis on C&I loan growth...



Note: Includes commercial and industrial and commercial lease financing loans.



-- The balances of "legacy" CRE loans continue to decline, with moderate growth in newly originated CRE loans...



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.



# Appendix

**\$ in thousands**

Property Type	New Commercial RE					Legacy Commercial RE				
	Balance	30 - 59 Days Past Due	60 - 89 Days Past Due	90+ Days Past Due (1)	Total Reserves	Balance	30 - 59 Days Past Due	60 - 89 Days Past Due	90+ Days Past Due (1)	Total Reserves
Construction one-to-four family	-	-	-	-	-	\$387	-	-	\$387	-
Land	156	-	-	-	3	5,230	-	-	2,130	255
Services	303	-	-	-	5	-	-	-	-	-
Commercial & Industrial Loans	6,447	-	-	-	298	215	-	-	-	151
One-to-four family conventional	1,645	-	-	-	28	648	103	-	241	46
One-to-four family closed end mortgage	-	-	-	-	-	294	-	-	-	24
Multi-family conventional	136,873	-	-	-	2,292	48,496	8,902	-	1,233	3,883
Commercial non-owner occupied	148,626	-	-	-	2,504	510,064	130	397	112,864	34,185
Secured by non-farm, non-residential	45,144	-	-	-	448	52,174	428	-	5,731	3,865
Other	50,755	-	-	-	848	-	-	-	-	-
Negative Escrow	2	-	-	-	-	2,596	-	-	-	-
Net deferred fees and other	(3,238)	-	-	-	-	(1,319)	-	-	-	-
<b>Total:</b>	<b>\$386,713</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$6,426</b>	<b>\$618,785</b>	<b>\$9,563</b>	<b>\$397</b>	<b>\$122,586</b>	<b>\$42,409</b>

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



\$ 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 Non-farm, Non-residential	Other	Total
MI	\$0	\$221	\$303	\$6,662	\$2,293	\$294	\$57,024	\$345,957	\$52,139	\$986	\$465,879
NY	-	-	-	-	-	-	100,000	25,048	9,279	9,500	143,827
GA	-	-	-	-	-	-	-	63,032	7,951	-	70,983
MA	-	-	-	-	-	-	17,336	7,323	8,021	17,679	50,359
IN	-	5,165	-	-	-	-	-	35,165	6,119	-	46,448
VA	-	-	-	-	-	-	-	34,213	-	5,907	40,120
CT	-	-	-	-	-	-	-	27,639	2,843	-	30,482
RI	-	-	-	-	-	-	-	13,921	-	3,440	17,362
FL	-	-	-	-	-	-	-	13,214	-	3,385	16,599
KY	-	-	-	-	-	-	-	11,102	-	-	11,102
TX	-	-	-	-	-	-	-	10,568	-	-	10,568
TN	-	-	-	-	-	-	-	8,859	1,261	-	10,120
PA	-	-	-	-	-	-	9,905	-	-	-	9,905
MD	-	-	-	-	-	-	-	-	-	9,858	9,858
CO	-	-	-	-	-	-	-	9,554	147	-	9,701
Other	387	-	-	-	-	-	1,105	53,094	9,560	(1,959)	62,187
<b>Total</b>	<b>\$387</b>	<b>\$5,386</b>	<b>\$303</b>	<b>\$6,662</b>	<b>\$2,293</b>	<b>\$294</b>	<b>\$185,369</b>	<b>\$658,690</b>	<b>\$97,318</b>	<b>\$48,796</b>	<b>\$1,005,498</b>

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



\$ 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 Non-farm, Non-residential	Other	Total
Older	\$0	\$0	\$0	\$0	\$187	\$0	\$9,517	\$27,600	\$4,781	\$0	\$42,085
2003	-	-	-	-	-	-	4,438	19,714	3,965	-	28,116
2004	-	-	-	-	-	-	9,043	58,349	3,714	-	71,106
2005	-	-	-	-	-	-	15,620	43,834	2,748	-	62,202
2006	-	-	-	-	23	-	3,598	85,986	6,999	-	96,606
2007	-	2,064	-	215	246	-	2,514	125,640	27,161	-	157,840
2008	-	-	-	-	125	-	3,767	113,353	2,806	-	120,050
2009	-	66	-	-	68	294	-	7,219	-	-	7,646
2010	387	-	-	-	-	-	-	13,507	-	-	13,893
2011	-	3,256	-	-	-	-	126,802	96,077	22,229	41,807	290,171
2012	-	-	303	6,448	1,645	-	10,071	67,413	22,915	6,989	115,783
<b>Total</b>	<b>\$387</b>	<b>\$5,386</b>	<b>\$303</b>	<b>\$6,662</b>	<b>\$2,293</b>	<b>\$294</b>	<b>\$185,369</b>	<b>\$658,690</b>	<b>\$97,318</b>	<b>\$48,796</b>	<b>\$1,005,498</b>

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



**\$ in thousands**

State	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
CA	\$ 31,193	\$ 862,520	\$ -	\$ 893,713	36.0%	\$ 609,455	\$ 308,845	\$ 32,078	\$ 950,378	31.4%
FL	4,403	148,819	-	153,222	6.2%	283,974	119,773	7,863	411,610	13.6%
MI	4,342	125,268	-	129,610	5.2%	249,575	49,256	9,469	308,300	10.2%
WA	6,317	74,290	-	80,607	3.2%	94,476	38,031	7,106	139,613	4.6%
AZ	2,268	70,904	-	73,172	2.9%	86,984	37,151	2,480	126,615	4.2%
CO	3,877	63,373	-	67,250	2.7%	59,940	17,603	5,283	82,826	2.7%
MD	3,782	55,887	-	59,669	2.4%	51,274	24,480	6,032	81,786	2.7%
NY	934	55,670	-	56,604	2.3%	38,909	31,638	2,093	72,640	2.4%
VA	884	64,810	-	65,694	2.6%	48,870	19,414	3,501	71,785	2.4%
TX	4,714	142,695	-	147,409	5.9%	29,376	31,483	2,449	63,308	2.1%
NJ	1,132	48,337	-	49,469	2.0%	33,387	24,508	3,946	61,841	2.0%
NV	-	16,425	-	16,425	0.7%	41,647	16,733	1,167	59,547	2.0%
IL	2,768	54,351	-	57,119	2.3%	35,383	22,033	2,383	59,799	2.0%
GA	583	50,945	-	51,528	2.1%	34,528	21,082	3,346	58,956	1.9%
OH	1,201	30,126	-	31,327	1.3%	34,557	9,942	813	45,312	1.5%
Other	18,211	531,173	357	549,741	22.1%	267,065	151,703	17,323	436,091	14.4%
<b>Total :</b>	<b>\$ 86,609</b>	<b>\$ 2,395,594</b>	<b>\$ 357</b>	<b>\$ 2,482,560</b>	<b>100%</b>	<b>\$ 1,999,400</b>	<b>\$ 923,675</b>	<b>\$ 107,332</b>	<b>\$ 3,030,407</b>	<b>100%</b>

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.

Totals may not foot due to rounding





\$ in thousands										
Year	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
Older	\$ 1,654	\$ 983	\$ -	\$ 2,637	0.1%	\$ 52,396	\$ 24,825	\$ 673	\$ 77,894	2.6%
2003	10,722	680	-	11,402	0.5%	159,763	26,095	6,625	192,483	6.4%
2004	7,915	828	-	8,743	0.4%	532,442	42,016	9,666	584,124	19.3%
2005	3,987	1,036	-	5,023	0.2%	552,403	69,429	3,398	625,230	20.6%
2006	1,672	3,811	89	5,572	0.2%	150,288	124,617	16,316	291,221	9.6%
2007	6,195	24,247	268	30,710	1.2%	443,372	467,889	68,000	979,261	32.3%
2008	528	12,454	-	12,982	0.5%	38,054	79,507	2,654	120,215	4.0%
2009	-	9,517	-	9,517	0.4%	12,305	48,780	-	61,086	2.0%
2010	5,186	2,882	-	8,068	0.3%	9,563	14,411	-	23,974	0.8%
2011	4,495	6,620	-	11,115	0.4%	25,263	19,727	-	44,989	1.5%
2012	44,254	2,332,537	-	2,376,791	95.7%	23,552	6,379	-	29,931	1.0%
<b>Total :</b>	<b>\$ 86,609</b>	<b>\$ 2,395,594</b>	<b>\$ 357</b>	<b>\$ 2,482,560</b>	<b>100%</b>	<b>\$ 1,999,400</b>	<b>\$ 923,676</b>	<b>\$ 107,332</b>	<b>\$ 3,030,407</b>	<b>100%</b>

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.

Totals may not foot due to rounding



\$ in thousands

FICO	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
< 580	637	10,336	-	10,973	0.4%	40,170	26,837	775	67,782	2.2%
580 - 619	-	11,558	268	11,826	0.5%	31,649	36,562	1,679	69,890	2.3%
620 - 659	1,376	126,008	89	127,473	5.1%	125,305	89,772	5,004	220,081	7.3%
660 - 699	6,555	343,070	-	349,625	14.1%	533,149	245,643	38,156	816,948	27.0%
> 699	78,041	1,904,622	-	1,982,663	79.9%	1,269,127	524,862	61,719	1,855,707	61.2%
<b>Total :</b>	<b>\$ 86,609</b>	<b>\$ 2,395,594</b>	<b>\$ 357</b>	<b>\$ 2,482,560</b>	<b>100%</b>	<b>\$ 1,999,400</b>	<b>\$ 923,676</b>	<b>\$ 107,332</b>	<b>\$ 3,030,407</b>	<b>100%</b>

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.



**\$ in thousands**

Original LTV	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
<b>&lt; 70</b>	\$ 40,246	\$ 680,080	\$ -	\$ 720,327	29.0%	\$ 528,416	\$ 233,090	\$ 23,917	\$ 785,423	25.9%
<b>70 - 79.99</b>	35,041	625,423	-	660,465	26.6%	1,209,596	496,614	63,012	1,769,222	58.4%
<b>80 - 89.99</b>	4,565	214,057	89	218,711	8.8%	129,338	73,715	13,791	216,844	7.2%
<b>90 - 99.99</b>	6,756	673,923	268	680,947	27.4%	126,318	109,726	6,344	242,388	8.0%
<b>100 - 109.99</b>	-	110,305	-	110,305	4.4%	5,491	8,654	149	14,294	0.5%
<b>110 - 124.99</b>	-	44,134	-	44,134	1.8%	241	1,877	-	2,118	0.1%
<b>&gt; 124.99</b>	-	47,671	-	47,671	1.9%	-	-	119	119	0.0%
<b>Total:</b>	<b>\$ 86,609</b>	<b>\$ 2,395,594</b>	<b>\$ 357</b>	<b>\$ 2,482,560</b>	<b>100%</b>	<b>\$ 1,999,400</b>	<b>\$ 923,676</b>	<b>\$ 107,332</b>	<b>\$ 3,030,407</b>	<b>100%</b>

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.

**Totals may not foot due to rounding**



\$ in thousands

HPI Adjusted LTV	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
< 70	\$ 50,085	\$ 688,430	\$ -	\$ 738,515	29.7%	\$ 392,689	\$ 106,291	\$ 8,169	\$ 507,149	16.7%
70 - 79.99	24,358	607,036	89	631,482	25.4%	313,763	86,336	9,778	409,877	13.5%
80 - 89.99	4,130	219,069	-	223,199	9.0%	312,303	128,423	16,316	457,042	15.1%
90 - 99.99	7,822	665,997	-	673,819	27.1%	264,068	144,851	19,421	428,340	14.1%
100 - 109.99	214	106,721	268	107,203	4.3%	262,558	161,373	21,417	445,348	14.7%
110 - 124.99	-	53,004	-	53,004	2.1%	225,574	149,479	16,015	391,068	12.9%
> 124.99	-	55,338	-	55,338	2.2%	228,445	146,924	16,216	391,584	12.9%
<b>Total :</b>	<b>\$ 86,609</b>	<b>\$ 2,395,594</b>	<b>\$ 357</b>	<b>\$ 2,482,560</b>	<b>100%</b>	<b>\$ 1,999,400</b>	<b>\$ 923,676</b>	<b>\$ 107,332</b>	<b>\$ 3,030,407</b>	<b>100%</b>

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. The housing price index (HPI adjusted) LTV is updated from the original LTV based on Metropolitan Statistical Area-level Office of Federal Housing Enterprise Oversight (OFHEO) data.

Totals may not foot due to rounding



**\$ in thousands**

	Commercial	%	Receivship	%	Construction	%	Manufactured Homes	%	Single Family Homes	%	Total	%
Current Month	\$ 1,555	3.8%	\$ -	0.0%	\$ 591	18.9%	\$ 53	15.3%	\$ 3,941	7.4%	\$ 6,141	5.1%
30 days	7,994	19.6%	5,010	39.5%	363	11.6%	33	9.4%	7,780	14.6%	21,179	17.7%
60 days	7,018	17.2%	-	0.0%	495	15.9%	140	39.9%	7,582	14.2%	15,235	12.8%
90 days	5,058	12.4%	-	0.0%	507	16.2%	-	0.0%	2,117	4.0%	7,681	6.4%
91 - 180 days	2,992	7.3%	701	5.5%	329	10.5%	36	10.4%	9,310	17.5%	13,368	11.2%
181 - 365 days	5,814	14.2%	2,338	18.4%	723	23.1%	54	15.5%	12,882	24.2%	21,811	18.3%
1 - 2 years	5,522	13.5%	4,637	36.6%	118	3.8%	-	0.0%	7,853	14.8%	18,131	15.2%
2 - 3 years	2,708	6.6%	-	0.0%	-	0.0%	33	9.5%	963	1.8%	3,705	3.1%
3 - 4 years	111	0.3%	-	0.0%	-	0.0%	-	0.0%	795	1.5%	906	0.8%
4 - 5 years	2,040	5.0%	-	0.0%	-	0.0%	-	0.0%	6	0.0%	2,046	1.7%
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%	9,266	7.8%
<b>Total</b>	<b>\$ 40,813</b>	<b>100.0%</b>	<b>\$ 12,687</b>	<b>100.0%</b>	<b>\$ 3,125</b>	<b>100.0%</b>	<b>\$ 350</b>	<b>100.0%</b>	<b>\$ 53,228</b>	<b>100.0%</b>	<b>\$ 119,468</b>	<b>100.0%</b>

Totals may not foot due to rounding



**\$ in thousands**

Loan Type	Balance	Non-performing Loans	% of Balance	% of Overall NPLs	Q3 '12 Charge Offs, Net of Recoveries	Collectively Evaluated Reserves <sup>(1)</sup>	Individually Evaluated Reserves <sup>(2)</sup>	Total Reserves
Residential first mortgage	\$3,086,025	\$268,141	11.03%	69.55%	\$18,101	\$74,972	\$129,903	\$204,875
Second mortgage	122,286	4,406	5.23%	1.31%	3,561	12,477	6,410	18,887
Construction	70	70	100.00%	0.01%	-	-	-	-
Warehouse	1,307,292	28	0.00%	0.01%	-	1,038	-	1,038
HELOC	192,117	3,435	4.56%	1.79%	1,438	15,216	2,340	17,556
Consumer	53,188	240	2.23%	0.24%	445	2,207	-	2,207
Commercial RE	1,005,498	122,585	13.18%	27.07%	11,071	47,113	1,722	48,835
Commercial NRE	785,922	43	0.01%	0.02%	(21)	11,582	20	11,602
<b>Total:</b>	<b>\$6,552,399</b>	<b>\$489,559</b>	<b>7.47%</b>	<b>100.00%</b>	<b>\$34,595</b>	<b>\$164,606</b>	<b>\$140,394</b>	<b>\$305,000</b>

(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

3<sup>rd</sup> Quarter 2012 Earnings Presentation

**\$ in thousands**

State	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Construction	Consumer	Warehouse	Total	Percent of Total
CA	\$58,970	22.0%	\$741	\$440	\$17,618	\$-	\$-	\$1	\$-	\$77,770	19.5%
FL	56,120	20.9%	489	80	4,711	-	-	-	-	61,401	15.4%
MI	14,590	5.4%	544	1,361	34,169	43	-	204	-	50,912	12.8%
VA	3,874	1.4%	-	121	34,213	-	-	-	-	38,208	9.6%
GA	5,414	2.0%	33	25	20,946	-	-	3	-	26,422	6.6%
NY	13,004	4.8%	87	349	-	-	-	-	-	13,440	3.4%
NJ	11,036	4.1%	44	66	-	-	-	-	-	11,146	2.8%
WA	10,026	3.7%	548	273	-	-	-	-	-	10,847	2.7%
NV	6,727	2.5%	74	-	2,547	-	-	-	-	9,349	2.3%
TX	8,558	3.2%	36	-	-	-	-	-	-	8,593	2.2%
IL	6,050	2.3%	131	3	2,080	-	-	-	-	8,264	2.1%
AZ	8,004	3.0%	178	51	-	-	-	-	-	8,233	2.1%
MD	7,813	2.9%	153	-	-	-	-	-	-	7,966	2.0%
CO	4,334	1.6%	226	-	-	-	-	-	-	4,561	1.1%
IN	2,095	0.8%	183	29	2,064	-	70	15	-	4,456	1.1%
Other	51,525	19.2%	938	636	4,237	-	-	18	28	57,382	14.4%
<b>Total</b>	<b>\$268,141</b>	<b>100.0%</b>	<b>\$4,406</b>	<b>\$3,435</b>	<b>\$122,585</b>	<b>\$43</b>	<b>\$70</b>	<b>\$240</b>	<b>\$28</b>	<b>\$398,948</b>	<b>100.0%</b>

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

## Non-performing Loans HFI – by Vintage

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

**\$ in thousands**

Vintage	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Construction	Consumer	Warehouse	Total	Percent of Total
<b>Older</b>	\$13,889	<b>5.2%</b>	\$396	\$1,258	\$6,562	\$-	\$70	\$16	\$-	\$22,191	<b>5.6%</b>
<b>2004</b>	23,537	<b>8.8%</b>	141	116	2,830	-	-	1	-	26,626	<b>6.7%</b>
<b>2005</b>	26,954	<b>10.1%</b>	201	80	6,512	-	-	96	-	33,843	<b>8.5%</b>
<b>2006</b>	20,621	<b>7.7%</b>	282	297	34,019	-	-	1	-	55,220	<b>13.8%</b>
<b>2007</b>	102,105	<b>38.1%</b>	3,020	1,441	40,946	-	-	39	-	147,551	<b>37.0%</b>
<b>2008</b>	43,335	<b>16.2%</b>	346	237	9,761	5	-	25	-	53,710	<b>13.5%</b>
<b>2009</b>	14,199	<b>5.3%</b>	19	-	593	-	-	-	28	14,840	<b>3.7%</b>
<b>2010</b>	4,648	<b>1.7%</b>	-	-	8,263	-	-	44	-	12,956	<b>3.2%</b>
<b>2011</b>	6,085	<b>2.3%</b>	-	5	13,098	38	-	15	-	19,242	<b>4.8%</b>
<b>2012</b>	12,767	<b>4.8%</b>	-	-	-	-	-	2	-	12,769	<b>3.2%</b>
<b>Total</b>	<b>\$268,141</b>	<b>100.0%</b>	<b>\$4,406</b>	<b>\$3,435</b>	<b>\$122,585</b>	<b>\$43</b>	<b>\$70</b>	<b>\$240</b>	<b>\$28</b>	<b>\$398,948</b>	<b>100%</b>

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





\$ in millions									
	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Gain (loss) before tax provision and dividends	\$60.7	\$87.9	(\$7.3)	(\$74.9)	(\$9.2)	(\$69.9)	(\$26.7)	(\$185.3)	(\$17.9)
Add back:									
Provision for loan losses	52.6	58.4	114.7	63.5	36.7	48.4	28.3	225.4	51.4
Asset resolution	12.5	20.9	36.8	32.4	34.5	23.3	38.1	41.8	44.3
Other than temporary impairment on investments AFS	0.0	1.0	1.2	7.1	1.3	15.6	0.0	1.3	0.0
Representation and warranty reserve	124.5	46.0	60.5	69.3	39.0	21.4	20.4	10.3	13.0
Write down of residual interest	0.1	1.2	0.4	0.8	0.2	2.3	2.4	(3.8)	4.7
Reserve increase for reinsurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total credit related costs:	189.7	127.6	213.6	173.2	111.7	110.9	89.2	275.0	113.3
<b>Pre-tax, pre-credit-cost revenue</b>	<b>\$250.4</b>	<b>\$215.5</b>	<b>\$206.3</b>	<b>\$98.3</b>	<b>\$102.5</b>	<b>\$41.0</b>	<b>\$62.5</b>	<b>\$89.7</b>	<b>\$95.4</b>

Totals may not foot due to rounding



## Non – GAAP Reconciliation

## 3<sup>rd</sup> Quarter 2012 Earnings Presentation

\$ in millions			
	Sep 30, 2012	Jun 30, 2012	Sep 30, 2011
Non-performing assets	\$518.4	\$538.8	\$558.3
Tier 1 Capital	1,379.7	1,296.0	1,273.9
Allowance for Loan Losses	305.0	287.0	282.0
<b>Tier 1 Capital + Allowance for Loan Losses</b>	<b>1,684.7</b>	<b>1,583.0</b>	<b>1,555.9</b>
<b>Non-performing assets/ Tier 1 Capital + Allowance for Loan Losses</b>	<b>30.77%</b>	<b>34.04%</b>	<b>35.88%</b>

\$ in millions			
	Sep 30, 2012	Jun 30, 2012	Sep 30, 2011
Tier 1 capital	\$1,379.7	\$1,296.0	\$1,273.9
Preferred stock	(266.7)	(266.7)	(266.7)
Qualifying trust preferred securities	(240.0)	(240.0)	(240.0)
<b>Tier 1 common</b>	<b>873.0</b>	<b>789.3</b>	<b>767.2</b>
<b>Total risk-weighted assets</b>	<b>8,461.1</b>	<b>8,224.3</b>	<b>7,780.8</b>
<b>Tier 1 common/ Total risk-weighted assets</b>	<b>10.32%</b>	<b>9.60%</b>	<b>9.86%</b>

Totals may not foot due to rounding



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