

WELCOME

Annual Meeting of Stockholders

two thousand thirteen



General Procedures

Christine Reid

Corporate Secretary

Welcome

John Lewis

Chairman

Proposals and Voting

Alessandro DiNello

President and Chief Executive Officer

Business Overview

Alessandro DiNello

President and Chief Executive 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-which affect, among other things, (i) the mortgage 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;
2. Competitive factors for mortgage loan originations could negatively affect gain on loan sale margins;
3. Competition from banking and non-banking companies for deposits and loans can affect our earnings, gain on sale margins and market share;
4. Changes in the regulation of financial services companies and government-sponsored housing enterprises and, in particular, declines in the liquidity of the secondary market for residential mortgage loan sales 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 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;
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. Repurchases and indemnity demands by mortgage loan purchasers, guarantors and insurers, uncertainty related to foreclosure procedures, and the outcome of current and future legal or regulatory proceedings could result in unforeseen consequences and adversely affect our business activities and earnings;
8. 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, the cost of defending such suits as well as potential exposure could increase our costs of operations;
9. 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 related litigation settlement expenses;
10. Our, or the Bank's, failure to comply with the terms and conditions of the Supervisory Agreement with the Federal Reserve or the Consent Order with the OCC, respectively, could result in further enforcement actions against us, which could negatively affect our results of operations and financial condition; and
11. The downgrade of the long-term credit rating of the U.S. by one or more ratings agencies could materially affect global and domestic financial markets and economic conditions, which may affect our business activities, financial condition, and liquidity.

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.

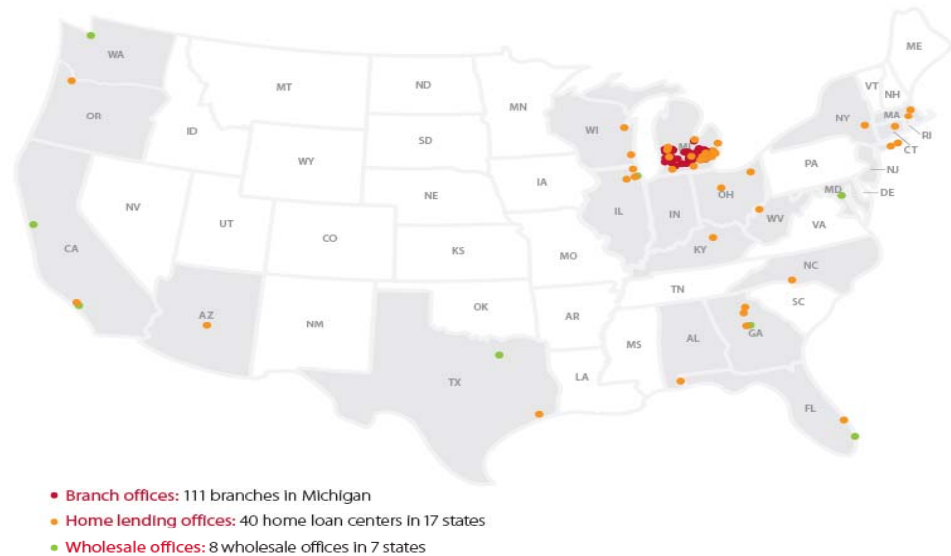
Please also refer to Item 1A to Part I of our Annual Report on Form 10-K for the year ended December 31, 2012 for further information on these and other factors affecting us.

Although we believe that these forward-looking statements are based on reasonable estimates and assumptions, they are not guaranties of future performance and are subject to known and unknown risks, uncertainties, contingencies and other factors. Accordingly, we cannot give you any assurance that our expectations will in fact occur or that actual results will not differ materially from those expressed or implied by such forward-looking statements. In light of the significant uncertainties inherent in forward-looking statements, 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.

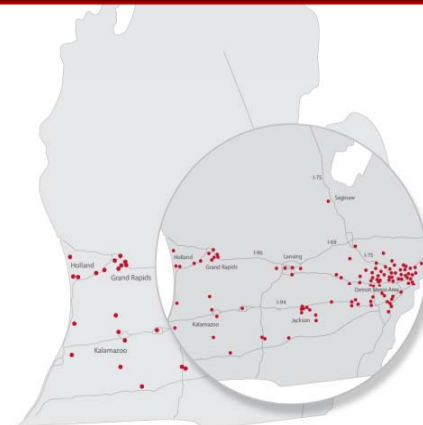


- **8th largest overall mortgage originator (1)**
 - 5th largest correspondent originator (1)
 - 5th largest seller of purchase mortgages to the GSEs (1)
- **Largest bank headquartered in Michigan with \$12.7 billion in total assets**
 - 111 branches in Michigan
 - 6th largest deposit market share in Michigan (2)
- Over 3,700 employees
- **Listed on the NYSE (ticker symbol: FBC) and member of the Russell 2000 Index**

National Mortgage Lending Platform



Michigan Community Banking Franchise

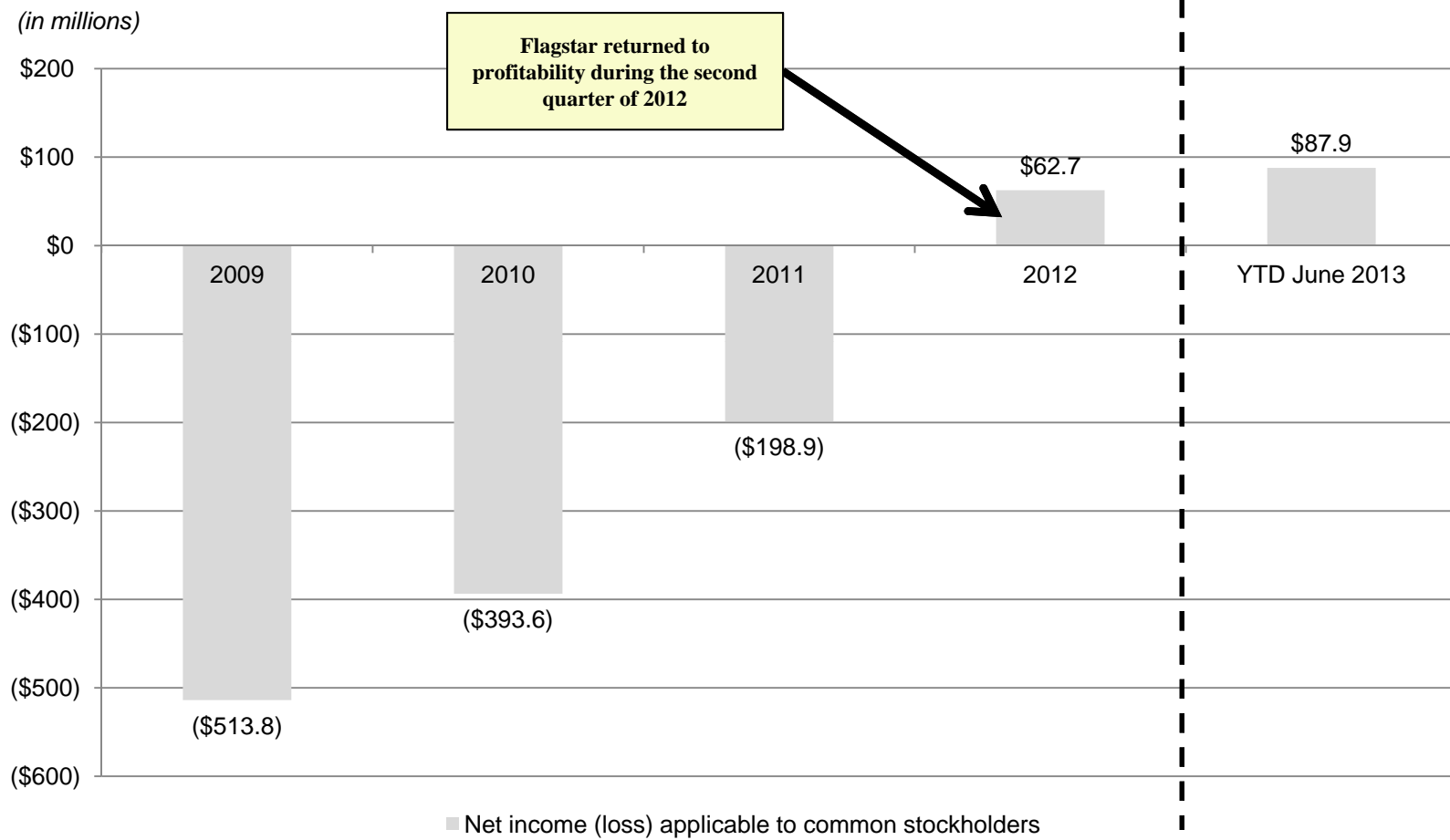


(1) Source: *Inside Mortgage Finance*, through first six months of 2013.
 (2) Source: *FDIC Deposit Market Share Report*, as of June 30, 2012.



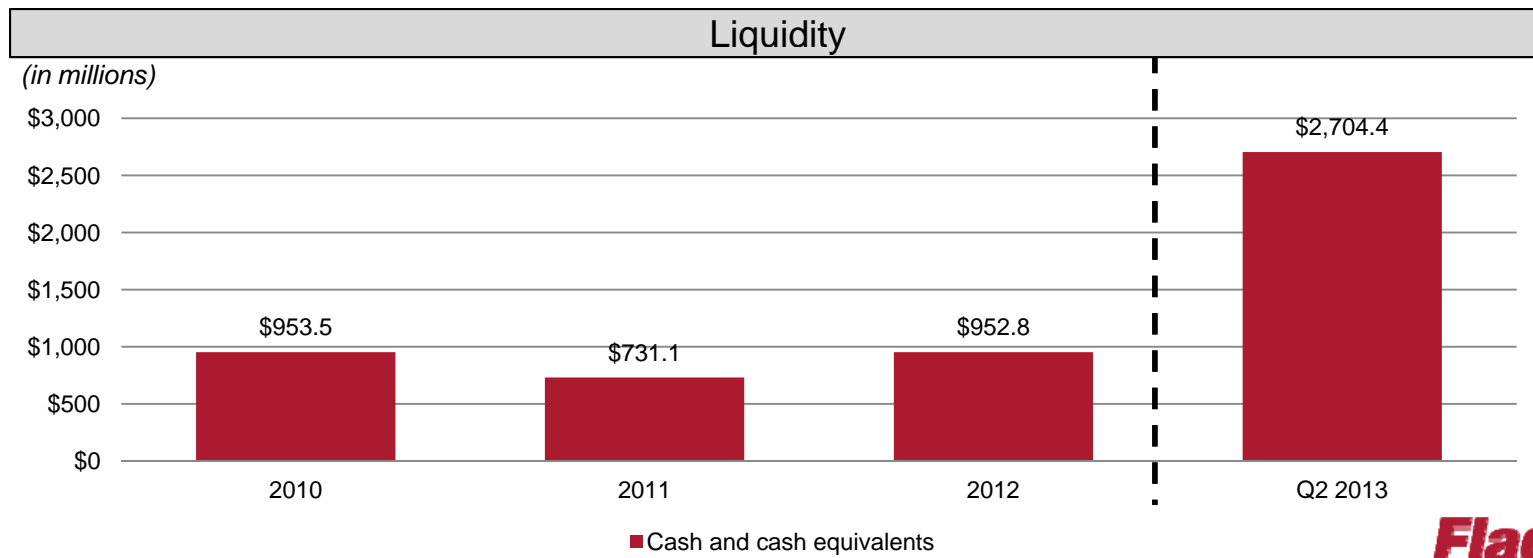
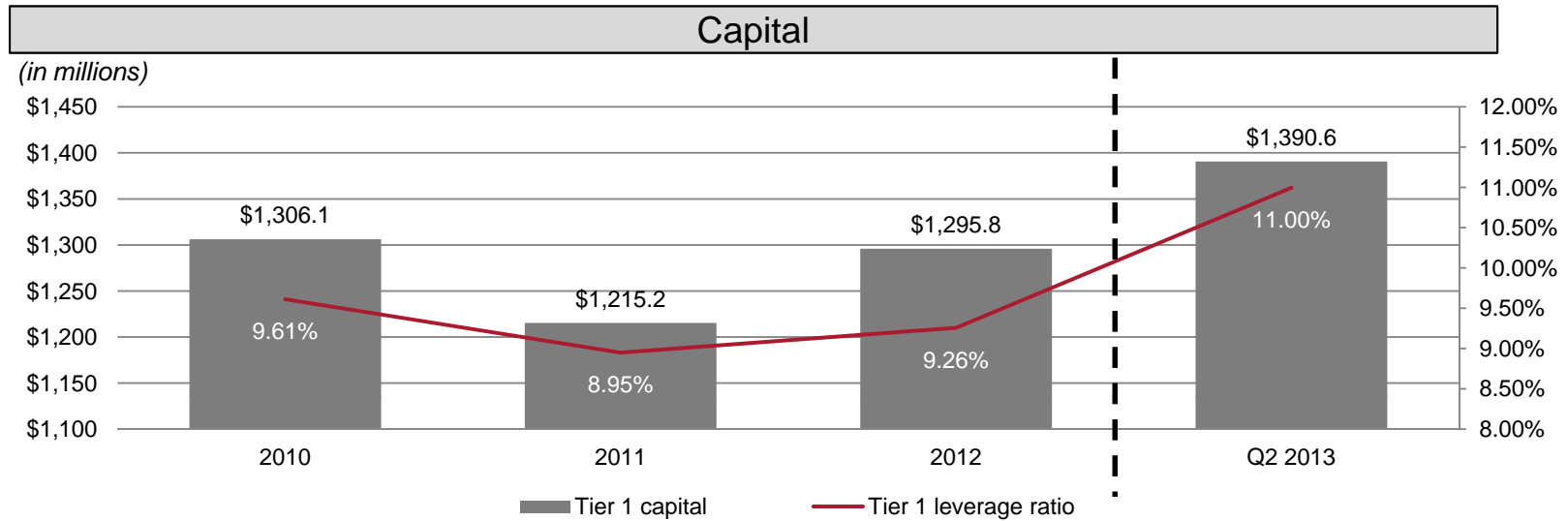
Improvement in Financial Performance

2013 Annual Meeting of Stockholders



Strengthened Capital and Liquidity

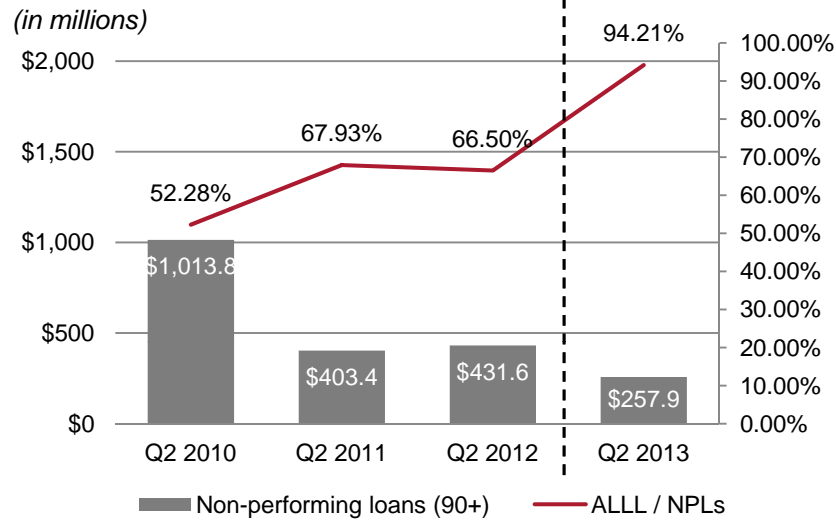
2013 Annual Meeting of Stockholders



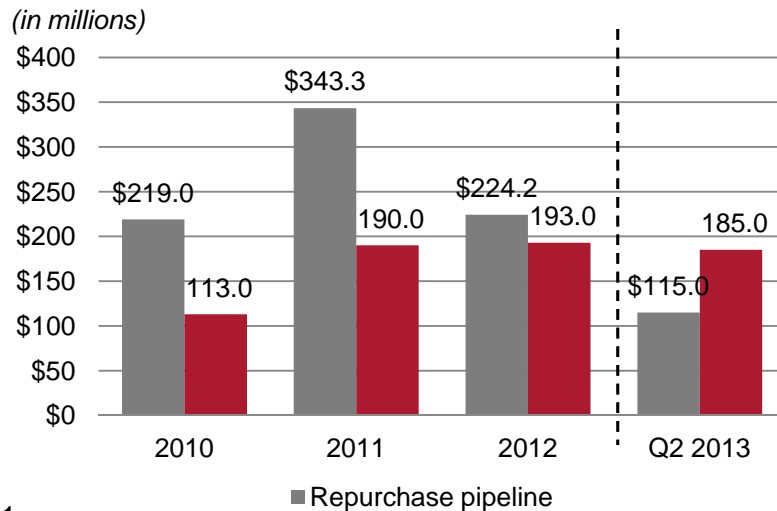
Reduced and Mitigated Risk

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NPLs and Reserve Coverage



Repurchase Pipeline and Reserves

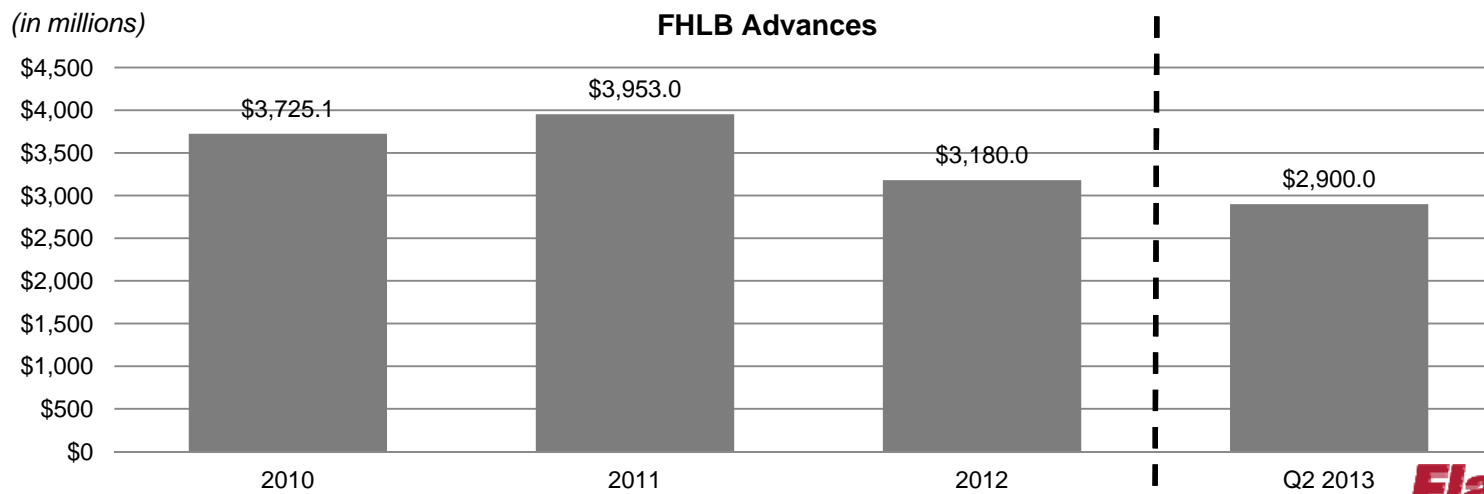
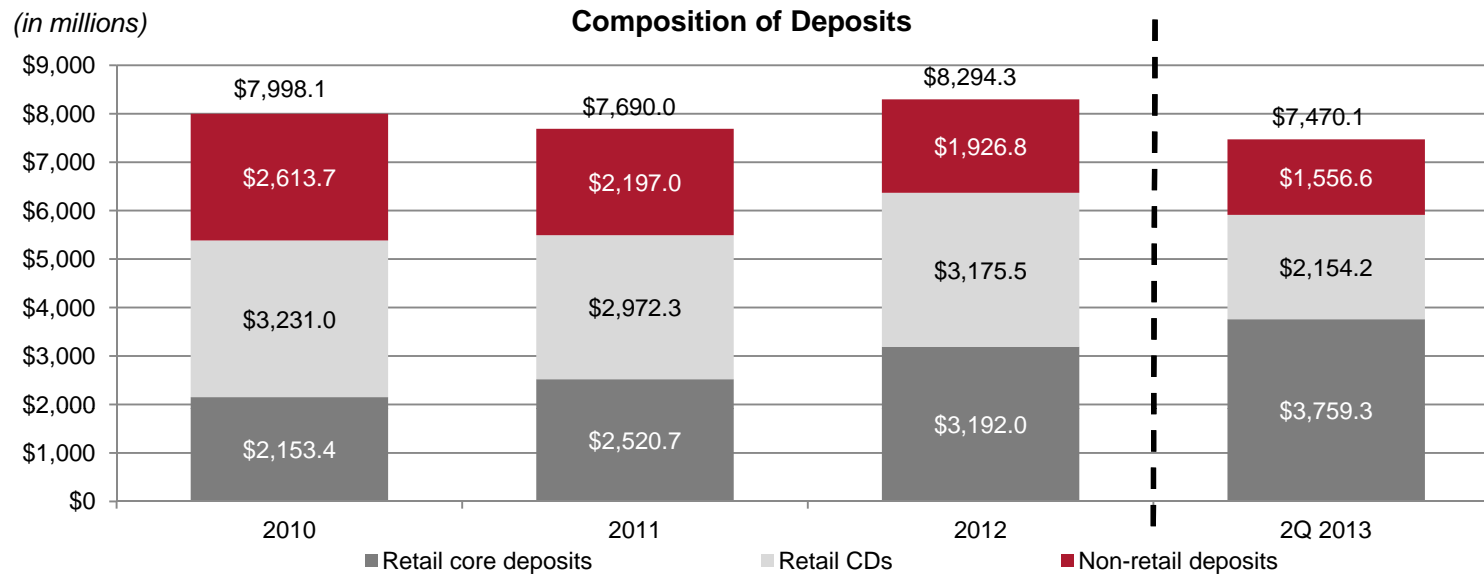


Emphasis on Risk Management and Putting Legacy Challenges Behind

- Closed out remaining legacy litigation – settlement agreements with MBIA and Assured
- Significantly reduced non-performing loans through enhanced work out efforts and sales
- Increased allowance to NPL coverage ratio to 94%
- Sold material portion of troubled debt restructuring portfolio
- Aggressively worked through pipeline of active repurchase requests
- Continued to sell MSR to lower concentration risk
- Prudently shrunk held-for-investment (predominately loans originated prior to 2009) loan portfolio

Improved Funding Mix

2013 Annual Meeting of Stockholders



Questions?

Alessandro DiNello

President and Chief Executive Officer

Report of Inspectors

Christine Reid

Corporate Secretary

Adjournment

John Lewis

Chairman

FBC
LISTED
NYSE