Flagstar Bancorp, Inc. (NYSE: FBC)

Earnings Presentation
4th Quarter 2020

January 21, 2021

Cautionary statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are based on management's current expectations and assumptions regarding the Company's business and performance, the economy and other future conditions, and forecasts of future events, circumstances and results. However, they are not guarantees of future performance and are subject to known and unknown risks, uncertainties, contingencies and other factors. Generally, forward-looking statements are not based on historical facts but instead represent our management's beliefs regarding future events. Such statements may be identified by words such as believe, expect, anticipate, intend, plan, estimate, may increase, may fluctuate, and similar expressions or future or conditional verbs such as will, should, would and could. Such statements are based on management's current expectations and are subject to risks, uncertainties and changes in circumstances. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors, including without limitation those found in periodic Flagstar reports filed with the U.S. Securities and Exchange Commission, which are available on the Company's website (flagstar.com) and on the Securities and Exchange Commission's website (sec.gov).

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In addition to results presented in accordance with GAAP, this presentation includes non-GAAP financial measures. The Company believes these non-GAAP financial measures provide additional information that is useful to investors in helping to understand the capital requirements Flagstar will face in the future and underlying performance and trends of Flagstar.

Non-GAAP financial measures have inherent limitations, which are not required to be uniformly applied. Readers should be aware of these limitations and should be cautious with respect to the use of such measures. To compensate for these limitations, we use non-GAAP measures as comparative tools, together with GAAP measures, to assist in the evaluation of our operating performance or financial condition. Also, we ensure that these measures are calculated using the appropriate GAAP or regulatory components in their entirety and that they are computed in a manner intended to facilitate consistent period-to-period comparisons. Flagstar's method of calculating these non-GAAP measures may differ from methods used by other companies. These non-GAAP measures should not be considered in isolation or as a substitute for those financial measures prepared in accordance with GAAP or in-effect regulatory requirements.

Where non-GAAP financial measures are used, the most directly comparable GAAP or regulatory financial measure, as well as the reconciliation to the most directly comparable GAAP or regulatory financial measure, can be found in these conference call slides. Additional discussion of the use of non-GAAP measures can also be found in the Form 8-K Current Report related to this presentation and in periodic Flagstar reports filed with the U.S. Securities and Exchange Commission. These documents can all be found on the Company's website at flagstar.com.

Executive Overview

Sandro DiNello, CEO

Strategic highlights

4th Quarter 2020

Unique relationship-based business model	• Supporting employees, communities and customers during the pandemic, with focus on their health, safety and financial well-being • Diverse revenue streams and flexible balance sheet produced strong results in declining interest rate environment by capitalizing on the resulting beneficial mortgage market
Grow community banking and servicing	• Well diversified loan portfolio, with no outsized exposure to any geography or industry reflects our disciplined approach to growing the Community Bank • Servicing business produced consistent results for the quarter, while also highlighting our competitive advantage as the subservicing business is housed within a well capitalized Bank with ample liquidity
Strengthen mortgage	• Leveraged multi-channel origination platform to generate solid fallout adjusted lock growth, even with most of our staff working remotely during the quarter • Invested in people and technology, expanding retail and generating more business in the most profitable channels
Highly profitable operations	• Delivered strong pre-provision net revenue despite the volatility in the market that was caused from the COVID-19 pandemic
Positioned to thrive in any market	• Durable business model well-positioned to weather the storm--profitability is strong--capital is strong--allowance is strong--and liquidity is strong • Maintaining quarterly dividend--demonstrating a commitment to return capital to our shareholders while still being prudent in managing our balance sheet in these uncertain times

Financial Overview

Jim Ciroli, CFO

Financial highlights

Solid earnings	• Net income of $154mm, or $2.83 per diluted share, in 4Q20 • Pre-tax, pre-provision net revenue of $207mm in 4Q20, a decrease of $120mm vs. 3Q20 • Grew TBV per share $3.20, or 9%, to $38.80[2] per share at 12/31/20, compared to $28.57[2] per share at 12/31/19
Growth in community banking and servicing	• Net interest margin, excluding the impact from loans with government guarantees that have not been repurchased, was 2.98% for the quarter, up 4 basis points, vs. 3Q20 - Performance driven by the impact of lower rates on deposits and higher levels of warehouse loans - Low funding rates locked in using interest rate swaps and LT advances with terms from 3 to 7 years • Consistent servicing results as total loans serviced remained flat at 1.1 million loans at period end
Mortgage revenue	• Mortgage revenue[(1)] of $232mm, down $126mm vs. 3Q20 as FOALs were down 20% and margin contracted 38 basis points - Gain on sale margin of 1.93%, down 38 basis points from record 3Q20 levels - $12mm decrease in the return on MSR which reflects elevated prepayment speeds
Strong asset quality	• Asset quality strong as net charge-offs were only 4 basis points and nonperforming loan ratio remained low • Credit reserves of $280mm at 12/31/20 flat to 3Q20 • Credit reserves covered 1.73% of loans HFI, or 3.19% excluding warehouse loans at 12/31/20
Robust capital position	• Total risk based capital ratio at 11.9% - Total risk based capital ratio would have been 14.0% if the risk-weighting of warehouse loans were adjusted to 50% to reflect the risk weightings of the assets that fully collateralized the loans • Tier 1 leverage ratio at 7.7% and CET1 ratio at 9.1% remained strong considering balance sheet growth was isolated to low-risk warehouse balances • Over $400mm of excess total risk-based capital over the minimum level needed to be considered well-capitalized.

1. Mortgage revenue is defined as net gain on loan sales HFS plus the net return on the MSRs.
2. References non-GAAP number. Please see reconciliations on page 48 - 49.

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Quarterly income comparison

$mm

	4Q20	3Q20	$ Variance	% Variance
Net interest income	$189	$180	$9	5%
Net gain on loan sales	232	346	(114)	(33%)
Loan fees and charges	53	45	8	18%
Loan administration income	25	26	(1)	(4%)
Net return (loss) on mortgage servicing rights	-	12	(12)	N/M
Other noninterest income	27	23	4	17%
Total noninterest income	337	452	(115)	(25%)
Pre-provision total revenue	526	632	(106)	(17%)
Compensation and benefits	125	123	2	2%
Commissions and loan processing expense	99	96	3	3%
Other noninterest expenses	95	86	9	10%
Total noninterest expense	319	305	14	5%
Pretax, pre-provision net revenue	**207**	**327**	**(120)**	**(37%)**
Provision for credit losses	2	32	(30)	(94%)
Income before income taxes	**205**	**295**	**(90)**	**(31%)**
Provision for income taxes	51	73	(22)	(30%)
Net income	**$154**	**$222**	**($68)**	**(31%)**
Diluted income per share	**$2.83**	**$3.88**	**-$1.05**	**(27%)**
Profitability				
Net interest margin	2.78%	2.78%	--	
Net interest margin, excl. LGG repurchase obligation[1]	2.98%	2.94%	4 bps	
Net gain on loan sales / total revenue	44%	55%	-11%	
Mortgage rate lock commitments, fallout adjusted [2]	$12,000	$15,000	($3,000)	(20%)
Mortgage closings [2]	$13,100	$14,400	($1,300)	(9%)
Net gain on loan sale margin, HFS	1.93%	2.31%	(38) bps	

Observations

Net interest income

- Net interest income increased $9mm, or 5%
  - Average earning assets increased 5% driven by warehouse loan growth.
  - Net interest margin, excluding LGG that have not been repurchased, expanded 4 basis points to 2.98%.
  - Average deposits increased 8%, due to $1.2bn billion in custodial deposits and $0.5bn increase in savings and government deposits. Interest-bearing deposit costs declined 16 basis points.

Noninterest income

- Noninterest income down $115mm, or 25%
  - Net gain on loan sale margin decreased 38 basis points, to 1.93%.
  - FOALs decreased $3.0bn reflecting seasonal holiday factors and a deliberate slowing of volume early in the quarter.

Noninterest expense

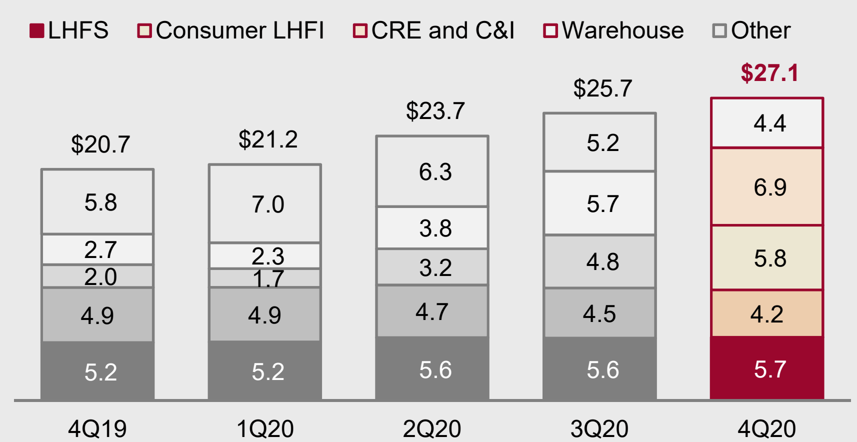
- Noninterest expense up $14mm, or 5%, refer to slide 9 for more details

1. References non-GAAP number as it excludes impact of $0.1 billion (2Q20), $1.4 billion (3Q20), and $1.8 billion (4Q20) of average balance of loans with government guarantees that have not been repurchased and do not accrue interest. Please see reconciliations on page 48 - 49.
2. Rounded to the nearest hundred million

N/M = not meaningful

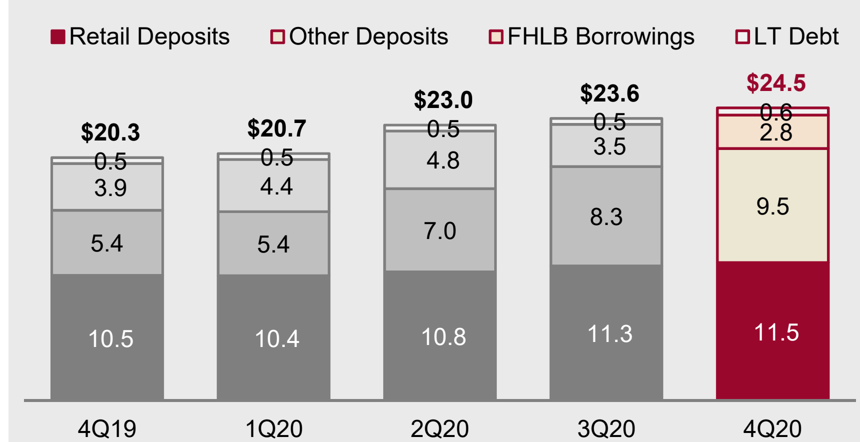
Net interest income

Average interest-earning assets & yields ($bn)



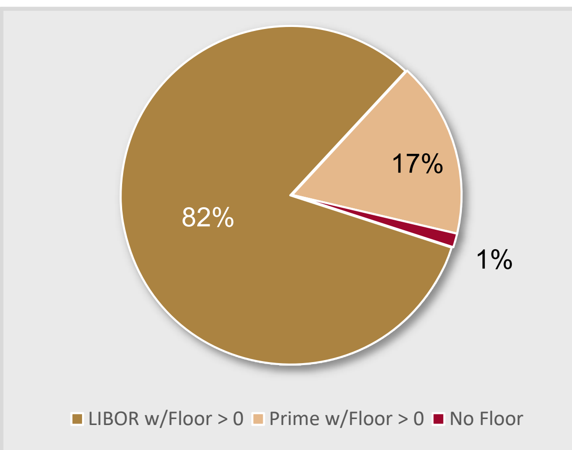
4Q19	1Q20	2Q20	3Q20	4Q20
4.04%	3.78%	3.38%	3.16%	**3.09%**

Average liabilities and rate ($bn)

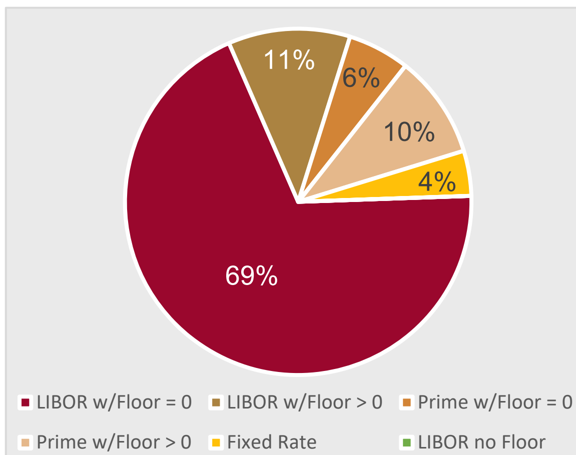


4Q19	1Q20	2Q20	3Q20	4Q20
1. 16%	1.03%	0.57%	0.44%	**0.37%**

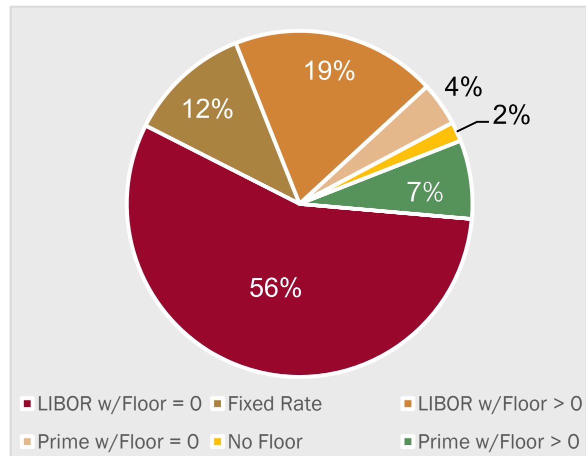
Warehouse- $7.9bn (EOP-12/31/20)



CRE - $3.1bn (EOP-12/31/20)



C&I - $1.4bn (EOP-12/31/20)



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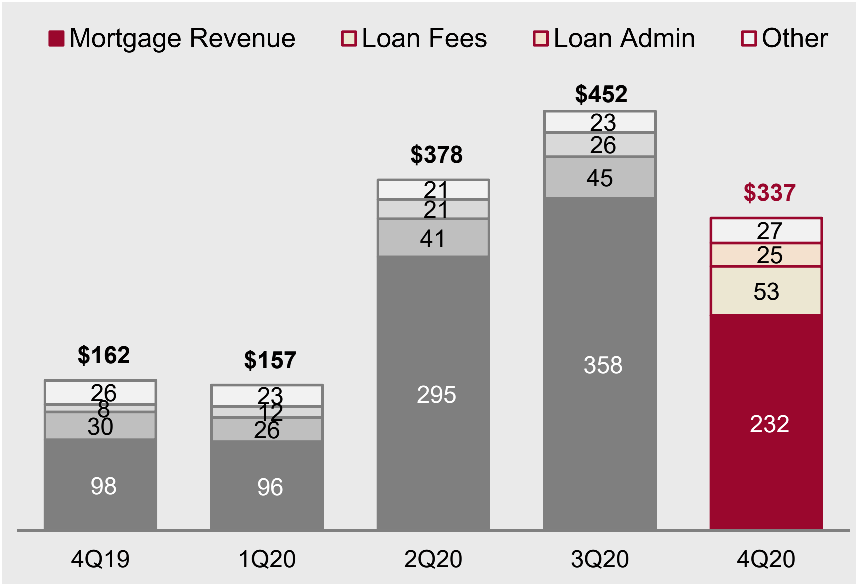
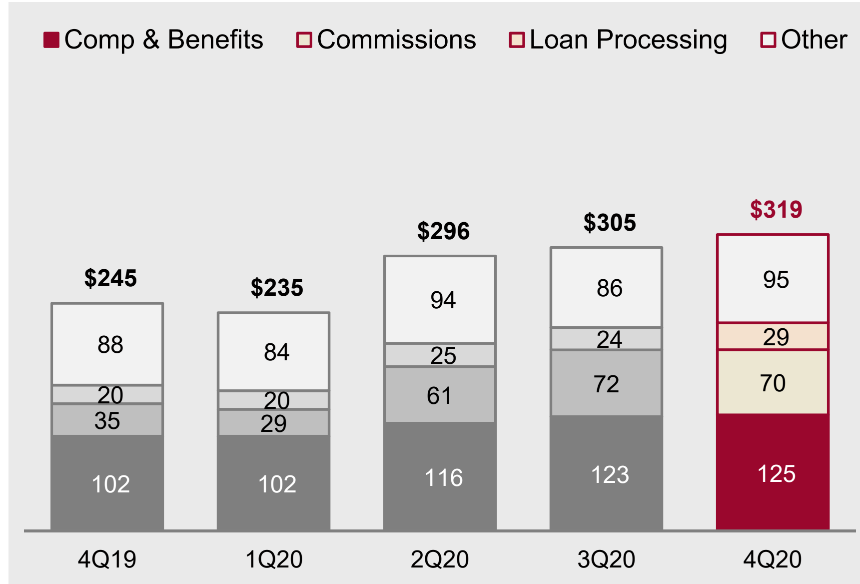
Noninterest income and expense

Noninterest income ($mm)



Noninterest expense ($mm)



Noninterest income

- Noninterest income down $115mm, or 25%
  - Mortgage revenue decreased $126mm to $232mm, compared to prior quarter. The decrease was driven by a 38 basis point decrease in gain on sale margin which continues to moderate and fallout adjusted locks decreased 20% reflecting seasonal holiday factors and other actions. Net return on MSR decreased $12mm compared to the prior quarter as prepayments continued to be elevated.
  - Loan fees and charges increased $8mm primarily due to higher loss mitigation and forbearance fee income on subserviced loans, despite a 9 percent decrease in mortgage closings.

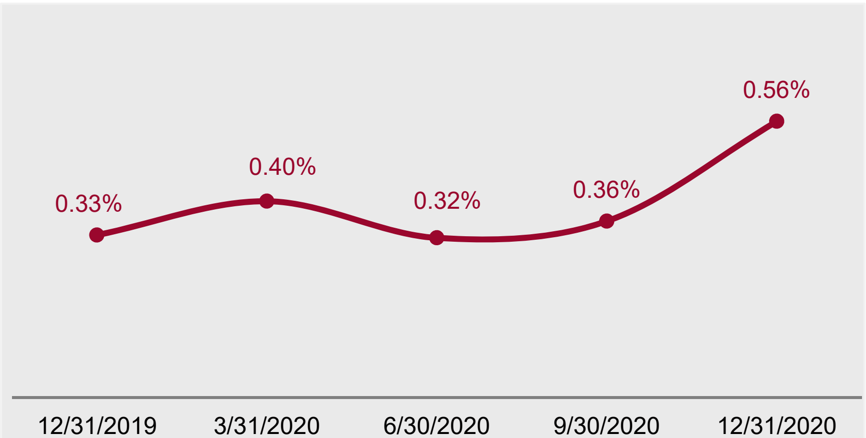
Noninterest expense

- Noninterest expense up $14mm, or 5%
  - Mortgage expenses increased $7mm. The ratio of mortgage noninterest expense to closings – our mortgage expense ratio – was 1.18 percent, an increase of 16 basis points quarter over quarter, primarily driven by efforts to expand capacity and a higher retail channel mix.
  - Non-mortgage expense increased $6mm due to the a $7mm loss recognized on the early extinguishment of the senior notes which will settle in January and a special contribution of $2mm to the Flagstar Foundation.

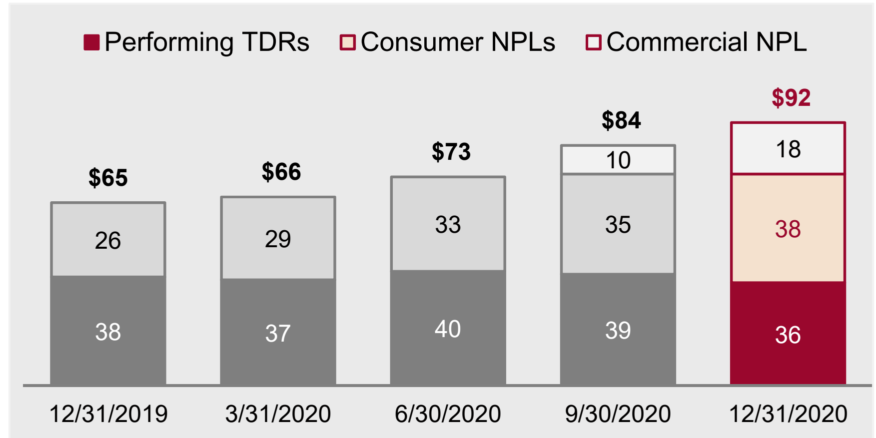
Asset quality

4th Quarter 2020

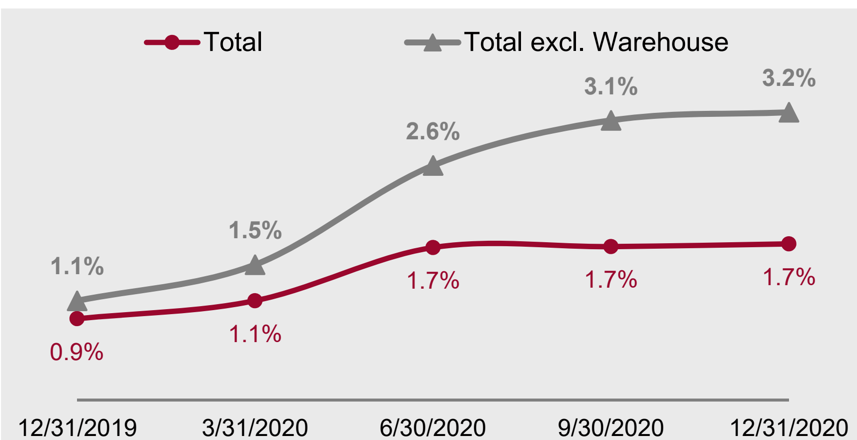
Delinquencies[1] (% of loans HFI)



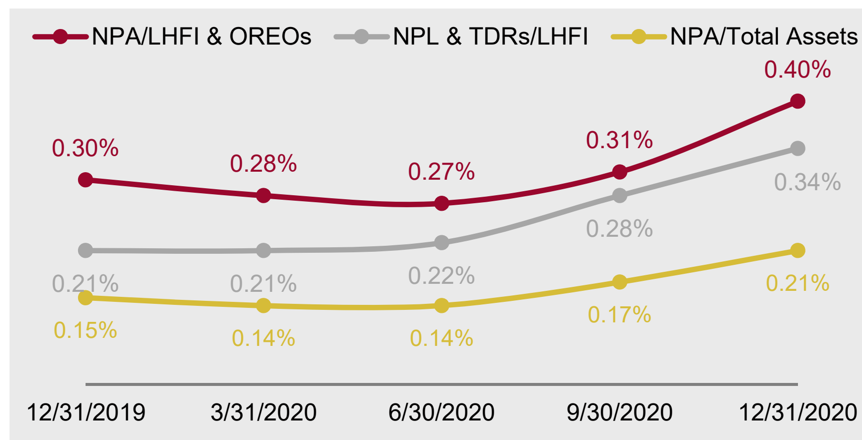
NPLs and performing TDRs ($mm)



Allowance coverage[2] (% of loans HFI)



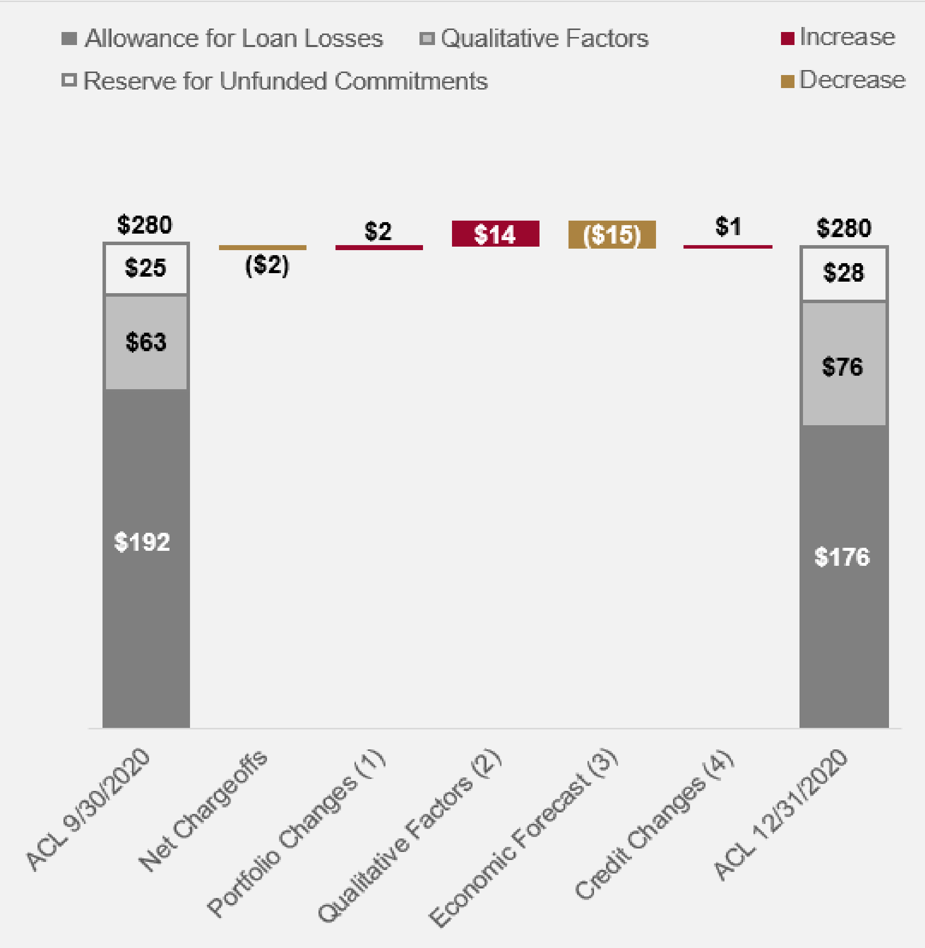
Nonperforming loan and asset ratios



1. Includes early stage delinquencies, defined as 30 to 89 days past due and nonaccrual loans
2. Excludes loans carried under the fair value option and loans with government guarantees.
3. Excludes loans held-for-sale

Current Expected Credit Loss ("CECL")

Allowance for credit losses ($mm)



CECL methodology - Forecast

- Used 2-year forecasts as of December reflecting the continued economic distress caused by COVID weighted 40% base, 30% adverse and 30% growth
- Composite forecast contemplates unemployment ending the year at 7%, increases slightly in 2021 and begins recovering in 2022
- GDP recovers slightly by the end of 2021 from current levels and does not return to near pre-COVID level until 2024
- HPI decreases about 1% throughout 2021
- Qualitative adjustments reflect best estimate of COVID-19 impact on portfolios including estimated impact of government stimulus, forbearance/payment holidays and Fed programs

1. New loans and aging of existing portfolio
2. COVID impact sectors
3. Changes to macro-economic variables and forecast scenarios
4. Changes to underlying credit conditions

COVID-19 impacted industry exposure

4th Quarter 2020

Commercial Exposure - $1.0 billion, 6.0% of LHFI

Commercial & Industrial Loans

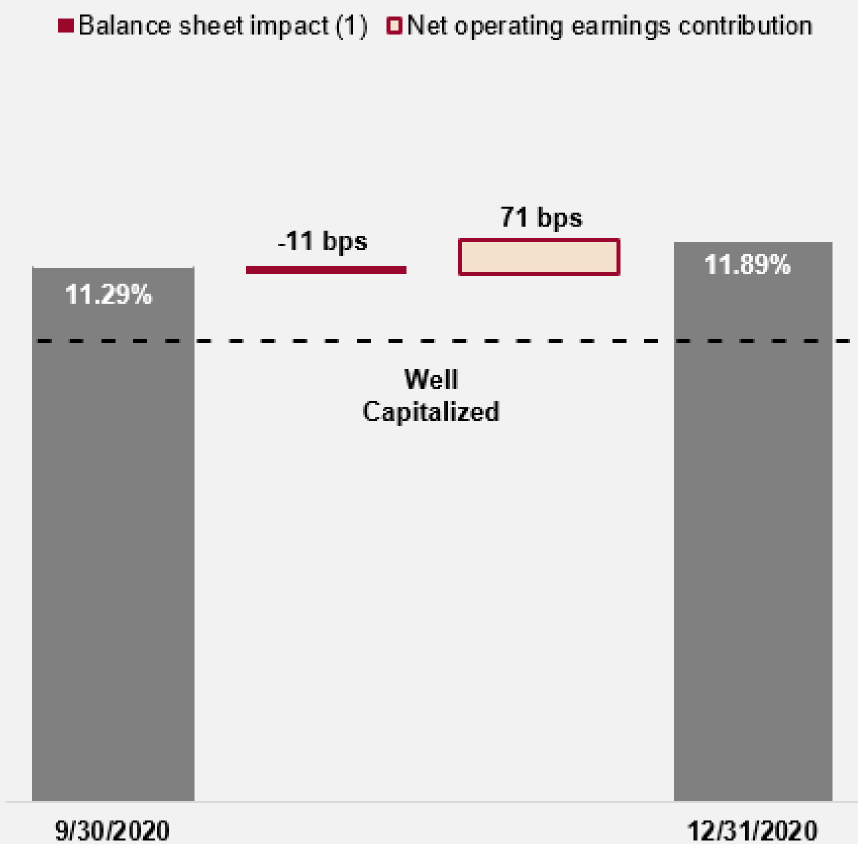
Automotive	Manufacturing, automotive suppliers	$79 million UPB / 0.5% of loans No loans in deferral or classified as nonperforming
Leisure & Entertainment	Includes restaurants, churches, theatres, etc.	$149 million / 0.9% of loans No loans in deferral $10 million in nonperforming loans
Healthcare	Hospitals, HMO Medical Centers	$22 million / 0.1% of loans No loans in deferral or classified as nonperforming

Commercial Real Estate Loans

Retail	~ 89% in footprint; 75% are neighborhood centers or single-tenant properties	$299 million / 1.8% of loans (44 loans) No loans in deferral or classified as nonperforming
Hotel	Marriott, Hilton, IHG and Hyatt flagship hotels comprise 77% of portfolio	$279 million / 1.7% of loans (22 loans) $14 million in deferrals No loans classified as nonperforming
Senior Housing	Geographically diverse; facilities in 8 different metro areas. All have recourse to strong borrowers	$146 million / 0.9% of loans (17 loans) No loans in deferral or classified as nonperforming

Capital

Flagstar Bancorp Total Risk Based Capital Ratio



Observations 4Q20

	Tier 1 Leverage	CET-1 to RWA	Tier 1 to RWA	Total RBC to RWA
4Q20	7.7%	9.1%	10.2%	11.9%
3Q20	8.0%	9.2%	10.3%	11.3%

- Total risk based capital ratio of 11.9%
  - o Total risk based capital ratio would have been 14.0% if the risk-weighting of warehouse loans were adjusted to 50%
  - o Warehouse lending—100% risk weight– has had under $5mm of losses, cumulatively, over the last 12 years
  - o Over 1,000 basis points of total risk based capital attributed to warehouse loans, loans held for sale and loans with government guarantees that have not yet been repurchased
- Tier 1 leverage ratio ended quarter at 7.7%
  - o Over 700 basis points of tier 1 leverage attributed to warehouse loans, loans held for sale and loans with government guarantees that have not yet been repurchased

1. Sub-debt increased ratio by 67 basis points, offsetting the decrease associated with the stock buyback.

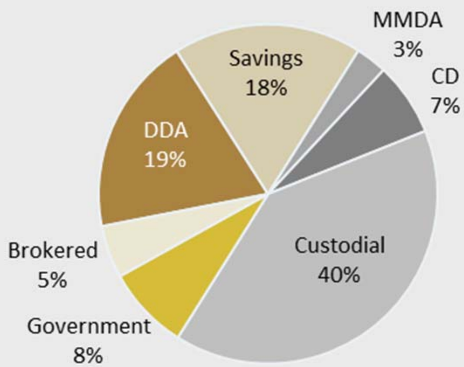
Reggie Davis, President of Banking

Deposits and Lending

Portfolio and strategy overview

4th Quarter 2020

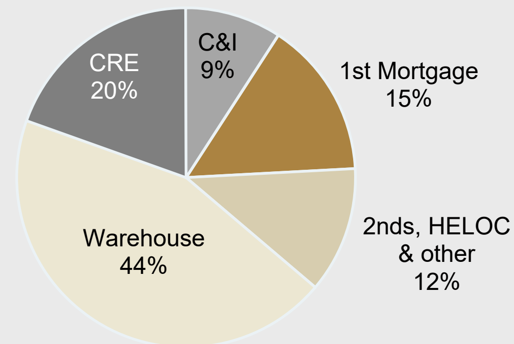
Total average deposits $21.1bn



Total: $21.1 bn
0.23% cost of total deposits[1]

- **Flagstar gathers deposits from consumers, businesses and select governmental entities**
  - Traditionally, CDs and savings accounts represented the bulk of our branch-based retail depository relationships
  - Today, we are focused on growing DDA balances with consumer, business banking and commercial relationships
  - We additionally maintain depository relationships in connection with our mortgage origination and servicing businesses, and with governmental entities
  - Cost of total deposits[1] equal to 0.23%, down 10 basis points from 0.33% in 3Q20

Total average LHFI $15.7bn



Total: $15.7 bn
3.78% LHFI yield

- **Flagstar's largest category of earning assets consists of loans held-for-investment which averaged $15.7bn during 4Q20**
  - Loans to consumers consist of residential first and second mortgage loans, HELOC and other
  - C&I / CRE lending is an important growth strategy, offering risk diversification and asset sensitivity
  - Warehouse lending to both originators that sell to Flagstar and those who sell to other investors

1. Total deposits include noninterest bearing deposits.

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Commercial lending

Diversified relationship-based approach

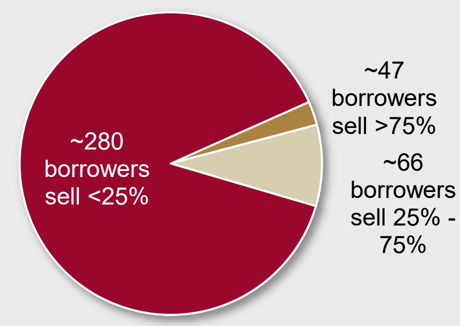
4th Quarter 2020

Overview

Warehouse	• Warehouse lines with approximately 393 active relationships nationwide, of which approximately 67% sell a portion of their loans to Flagstar • Collateralized by mortgage loans being funded which are paid off once the loan is sold
Commercial Real Estate	• Diversified property types which are primarily income-producing in the normal course of business • Focused on experienced top-tier developers with significant deposit and non-credit product opportunities
Commercial & Industrial	• Lines of credit and term loans for working capital needs, equipment purchases, and expansion projects • Primarily Michigan based relationships or relationships with national finance companies

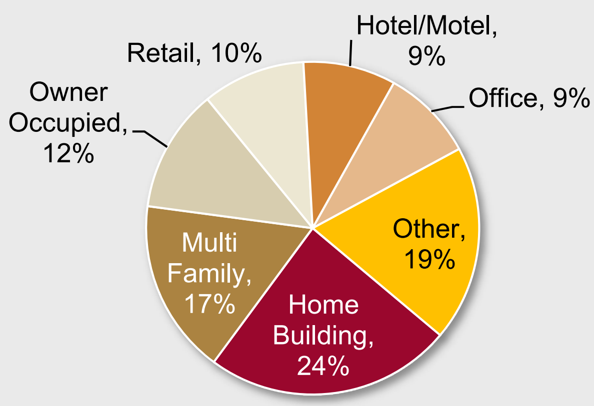
Warehouse - $7.9bn (12/31/20)

% Advances sold to Flagstar



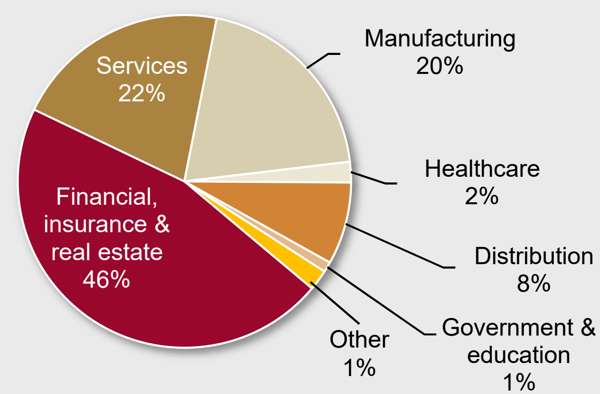
Commercial Real Estate - $3.1bn (12/31/20)

Property type



Commercial & Industrial - $1.4bn (12/31/20)

Industry



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Business Segment Overview

Lee Smith, President of Mortgage

Flagstar's one-stop-shop mortgage model

Bank Synergies

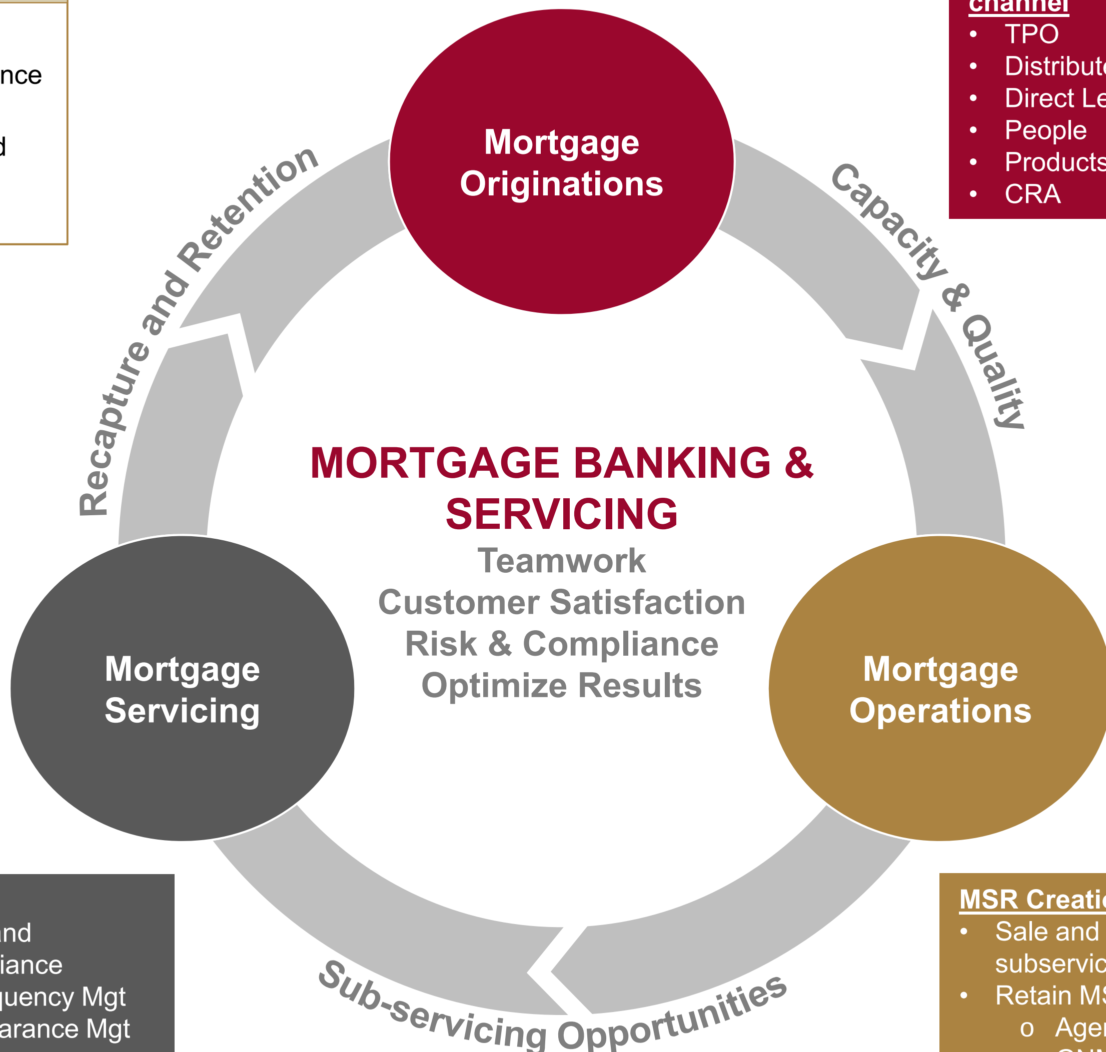
- Warehouse Lending
- MSR and Servicing Advance Lending
- Custodial Deposits – fund balance sheet
- HELOCs

Sales – multi channel

- TPO
- Distributed Retail
- Direct Lending
- People
- Products
- CRA

Secondary & Cap Markets

- Pricing & Hedging
- Outlets
  - Sales
  - Securitizations
  - Retain on B/S



Performing

- Growth & Scale
- Customer Feedback
- Risk and Compliance
- Other Revenue Opportunities

Default

- Risk and compliance
- Delinquency Mgt
- Forbearance Mgt
- Claims process
- Minimize losses

MSR Creation

- Sale and retain subservicing
- Retain MSR
  - Agency
  - GNMA
- Protect asset

Mortgage Ops

- Service
- Multi skilled operators
- Risk and Compliance
- Variable cost model
- Support

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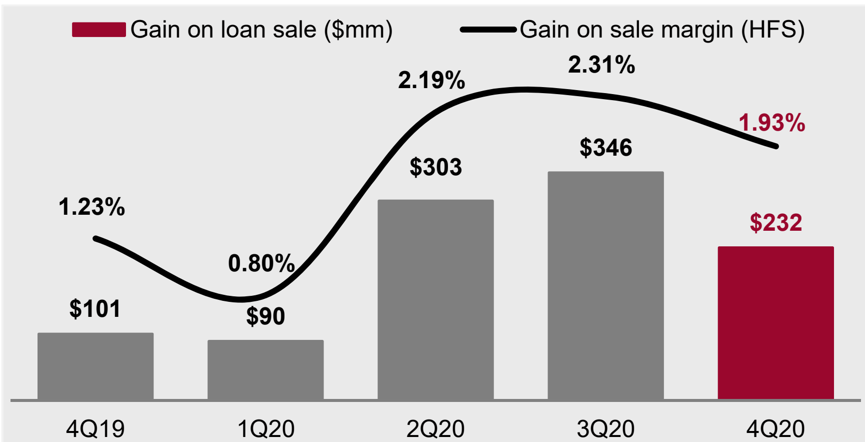
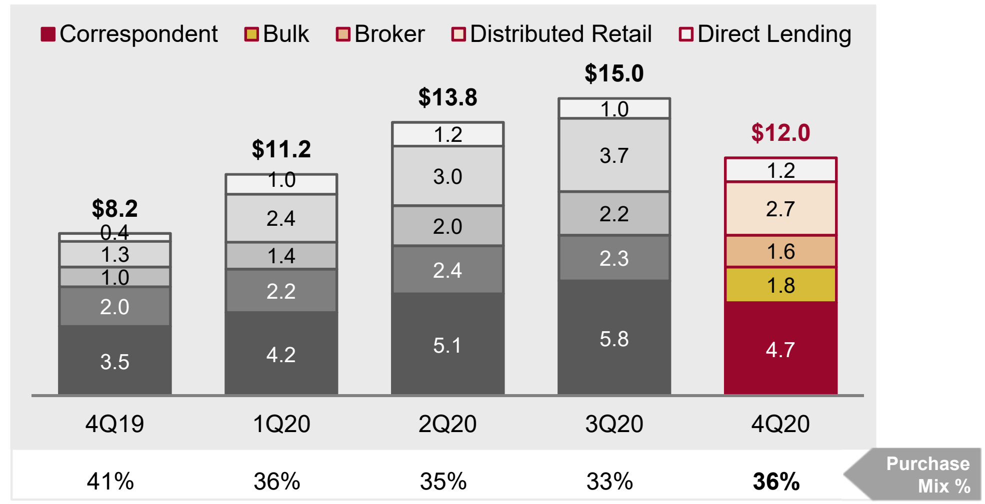
Mortgage originations

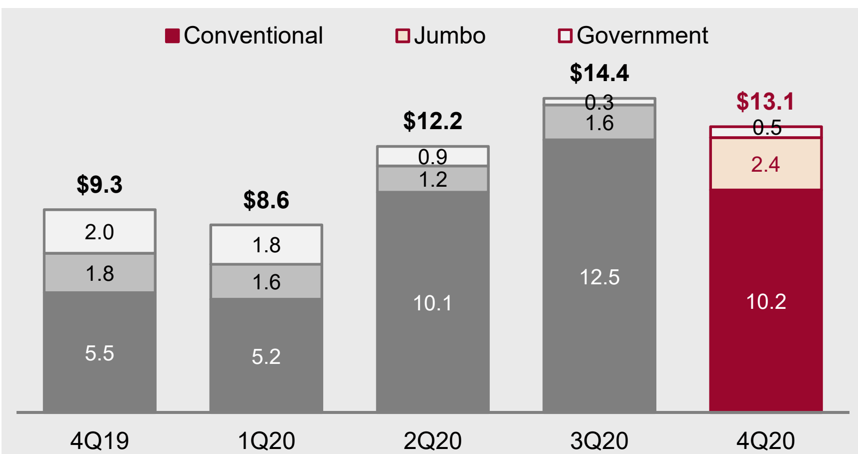
Net gain on loan sales – revenue and margin



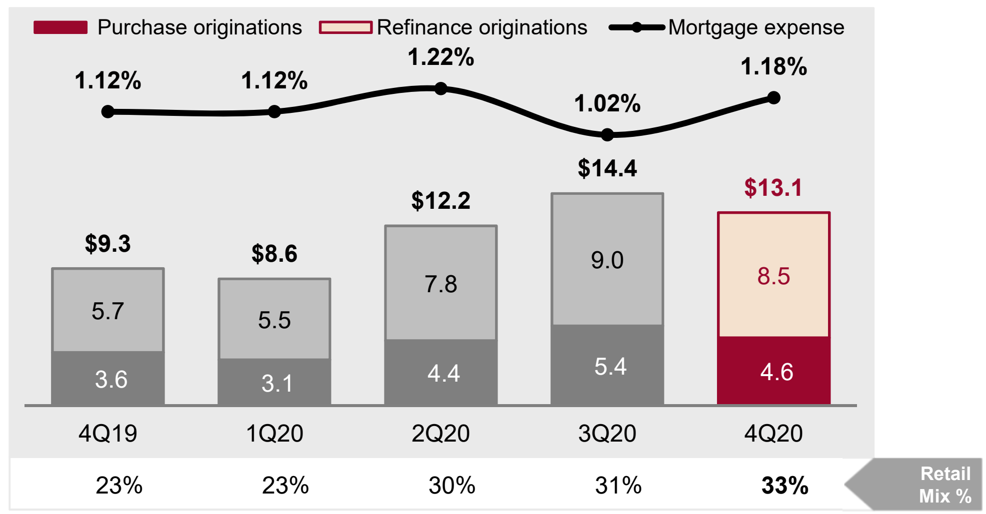
Fallout-adjusted locks by channel ($bn)



Closings by mortgage type ($bn)

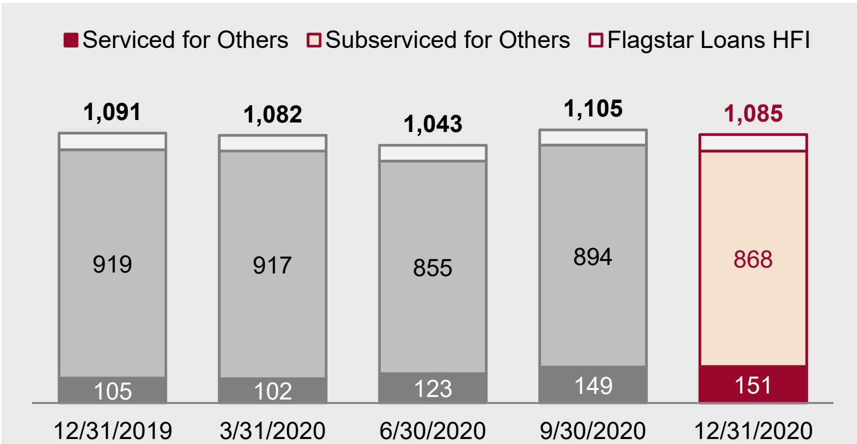


Closings by purpose and expense ratio ($bn)

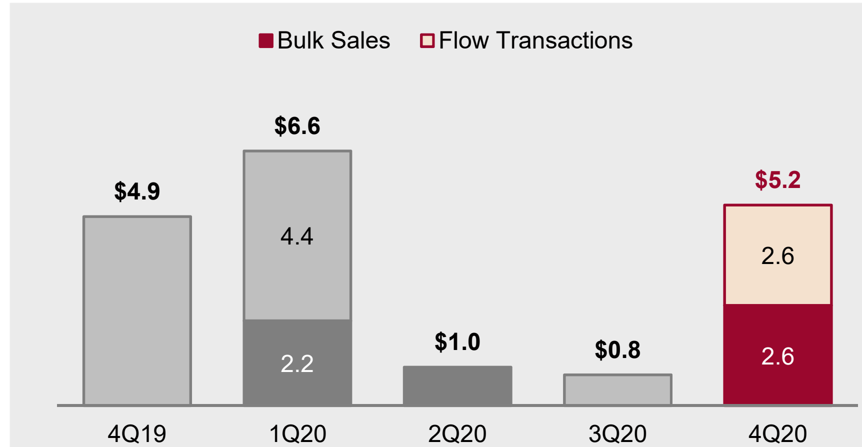


Mortgage servicing

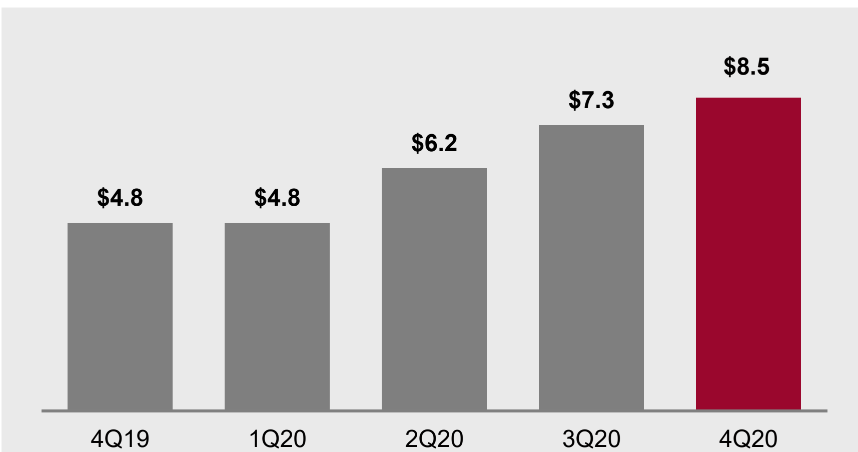
Quarter-end loans serviced (000's)



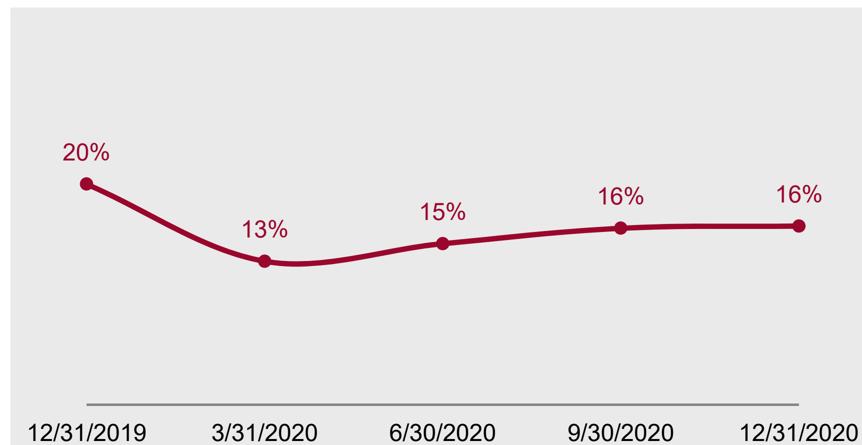
$ UPB of MSRs sold ($bn)



Average custodial deposits ($bn)



MSR / CET1 (Bancorp)

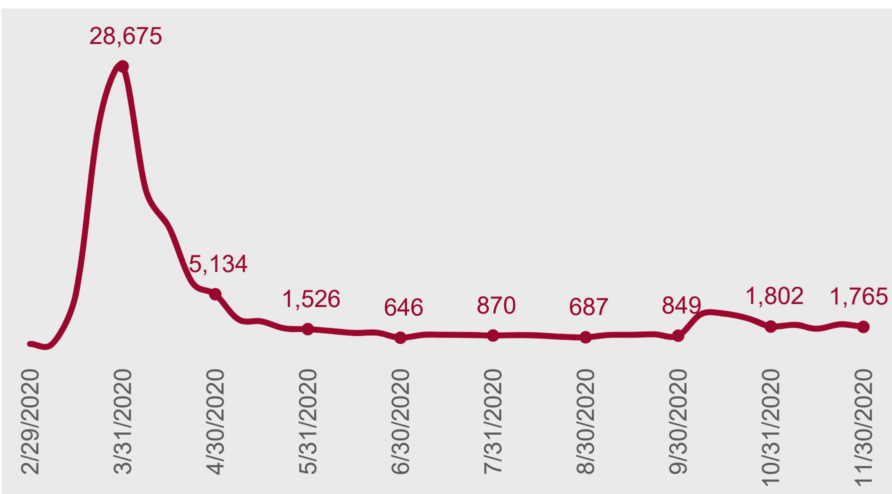


Supporting consumer needs

Consumer Forbearance as of 12/31/2020 (UPB in $mm)

	Total Population		Forbearance Requested: Borrowers making October, November and December Payments		Forbearance Requested: Remaining Borrowers		Total Loans in Forbearance		Loans in Forbearance not paying	
	UPB	Number of Accounts	UPB	Number of Accounts	UPB	Number of Accounts	% of UPB	% of Accounts	% of UPB	% of Accounts
Subserviced for others [(1)]	175,935	859,093	1,784	8,850	13,036	59,702	8.4%	8.0%	7.4%	6.9%
Serviced for others	40,693	159,770	403	1,774	3,023	12,345	8.4%	8.8%	7.4%	7.7%
Subtotal	216,628	1,018,863	2,187	10,624	16,059	72,047	8.4%	8.1%	7.4%	7.1%
Serviced for own loan portfolio [(2)]	10,083	66,536	69	574	487	2,064	5.5%	4.0%	4.8%	3.1%
Total loans serviced	226,711	1,085,399	2,256	11,198	16,546	74,111	8.3%	7.9%	7.3%	6.8%

Forbearance Requests (accounts)



- Significant decrease in new forbearance requests since middle of April
- 12% of residential first lien borrowers who have requested forbearance have made their October, November, and December payments and not taken advantage of the forbearance option.
- Proactive customer outreach to evaluate readiness to return to payment or need for further assistance
- Stable early-stage delinquency trends for loans not in forbearance

1. Includes temporary short-term subservicing performed as a result of sales of servicing-released mortgage servicing rights. Includes repossessed assets.
2. Includes LHFI (residential first mortgage, home equity and other consumer), LHFS (residential first mortgage), loans with government guarantees (residential first mortgage), and repossessed assets.

Flagstar Bancorp

Appendix

Flagstar at a glance

4th Quarter 2020

Corporate Overview

- Traded on the NYSE (FBC)
- Headquartered in Troy, MI
- Market capitalization $2.4bn
- Member of the Russell 2000 Index

Community banking

- Leading Michigan-based bank with a balanced, diversified lending platform
- $31.0bn of assets and $20.0bn of deposits
- 209k household & over 27k business relationships

Mortgage origination

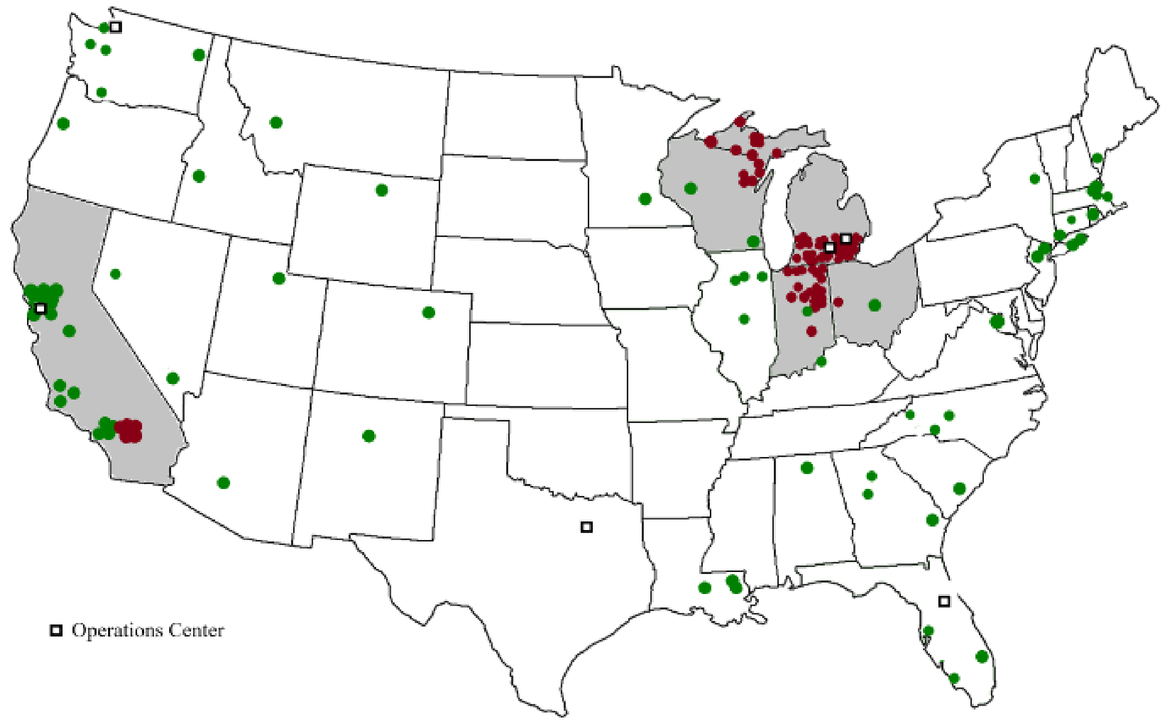
- 6th largest bank originator of residential mortgages ($48.3bn during twelve months ended December 31, 2020)
- Scalable platform originating business in all channels and all 50 states including 103 retail home lending offices
- More than 1,050 correspondent and more than 1,300 broker relationships

Mortgage servicing

- 6th largest sub-servicer of mortgage loans nationwide
- Servicing 1.1 million loans as of December 31, 2020
- Efficiently priced deposits from escrow balances

158 Flagstar Bank Branches

103 Retail home lending Offices[(1)]



1. Includes eight home lending offices located in banking branches.

Flagstar has a strong executive team

Board of Directors
John Lewis
Chairman

Chief Audit Officer
Meagan Belfinger

Sandro DiNello
President & CEO

- CEO since 5/13
- Over 40 years of banking experience with Flagstar and its predecessors with a strong emphasis on community banking, including the management of retail operations and product strategy

Chief Human Resources Officer
David Hollis

Corporate Responsibility
Beth Correa

Chief Marketing Officer
Matt Allen

Chief Financial Officer
Jim Ciroli

- CFO since 8/14
- More than 30 years of banking and financial services experience with First Niagara, Huntington and KeyCorp

Mortgage Banking and Servicing
Lee Smith

- Effective since September 2020.. Previously COO for 7 years May 2013 – Aug 2020.
- Formerly a partner of MatlinPatterson Global Advisors and a Senior Director at Zolfo Cooper
- Extensive experience in financial management and operations

Community Banking
Reggie Davis

- More than 35 years of banking experience with Suntrust, Royal Bank of Canada, and Wachovia

Chief Risk Officer
Steve Figliuolo

- CRO since 6/14
- Over 35 years of financial services experience with Citizens Republic, Fleet Boston Financial, First Union and Chase Manhattan

Operations
Karen Buck

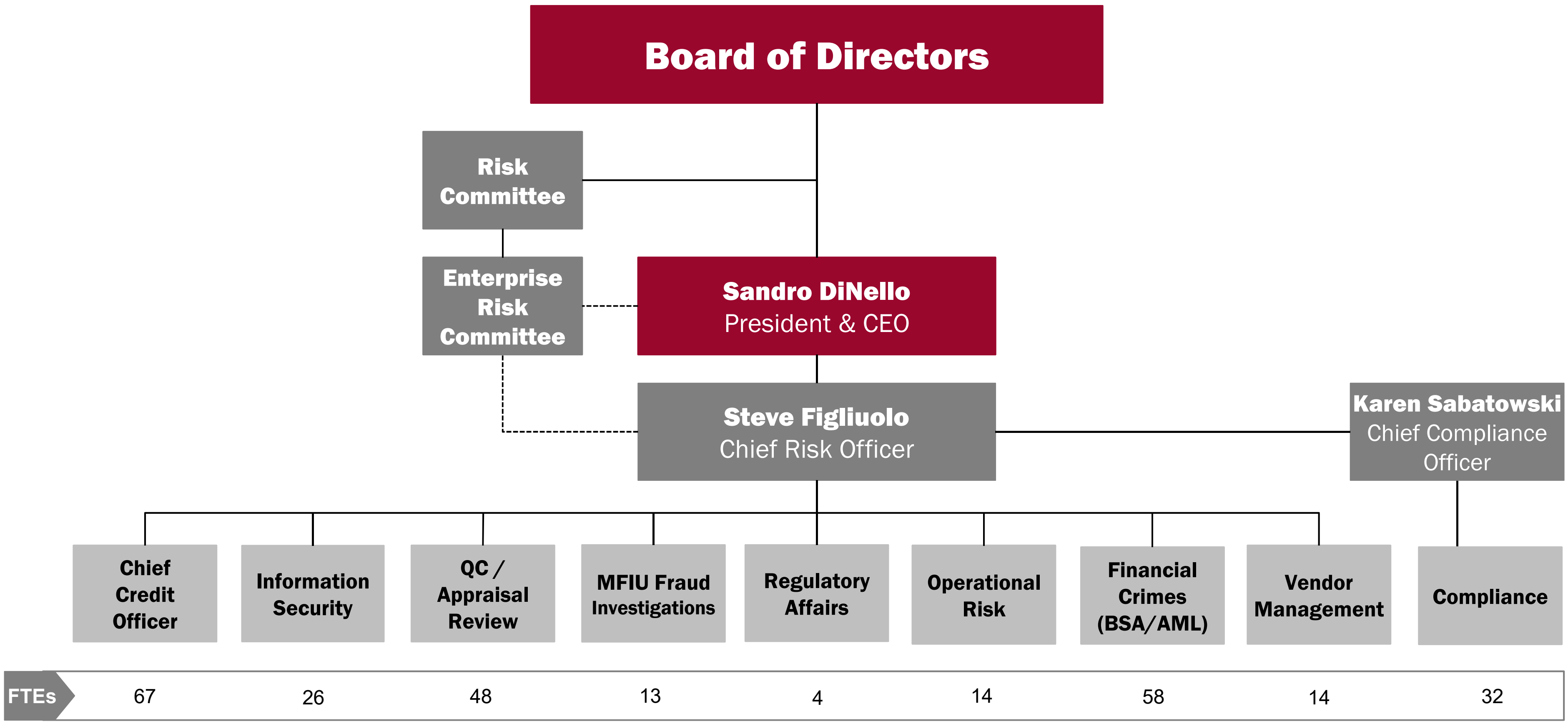
- Joined Flagstar in 1/21
- Over 30 years of experience in the financial services industry, most recently with TD Bank

Chief Information Officer
Jennifer Charters

- CIO since 6/18
- Over 25 years of IT and financial services experience with Ally Financial and Accenture

Risk management

Best-in-class risk management platform with 277 FTEs[(1)]

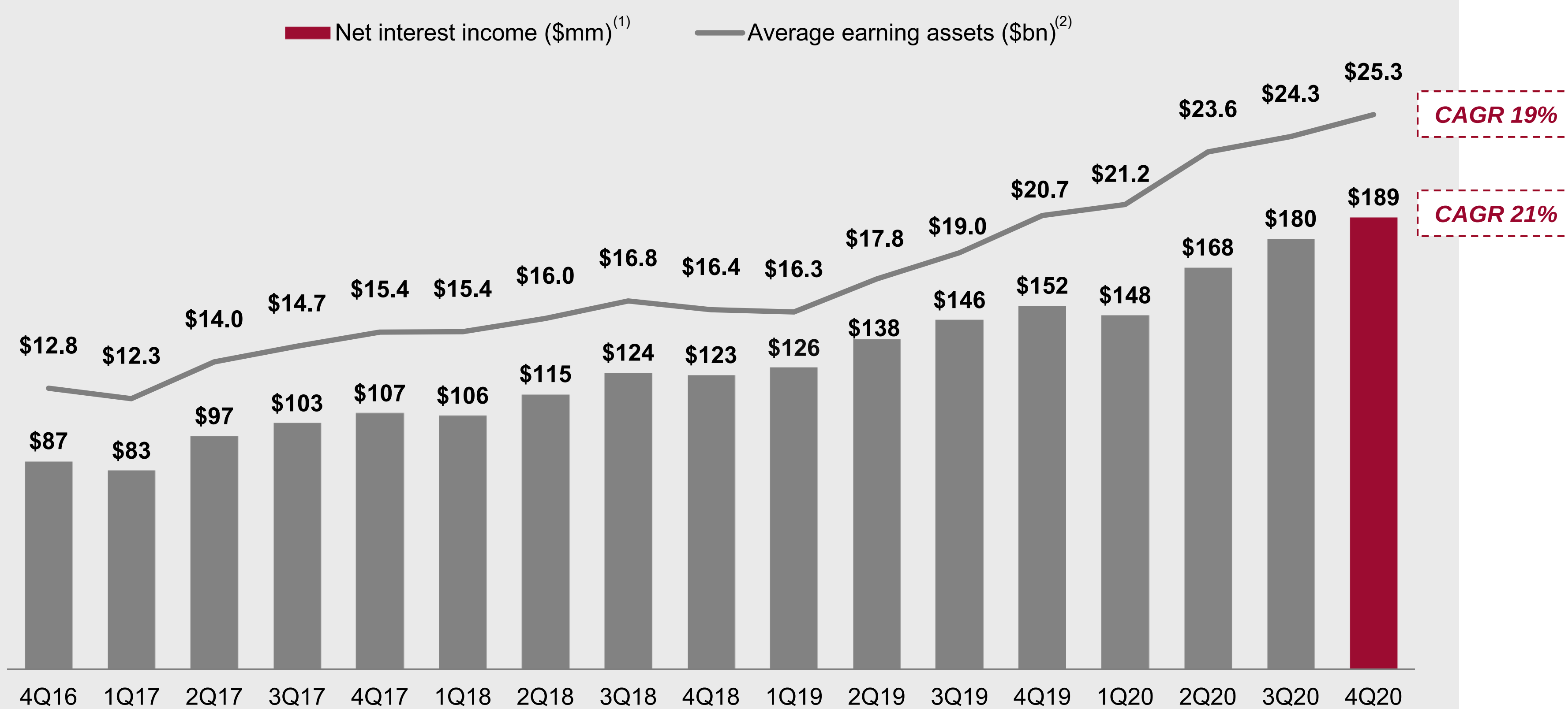


1. Does not include 29 FTEs in internal audit as of 12/31/2020.

Higher net interest income is stabilizing earnings

- Achieving earning asset growth while continuing to grow net interest income
  - Strong net interest margin management
- Transition to more stable net interest income

Average earning assets and net interest income



	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Adjusted NIM:	2.67%	2.67%	2.77%	2.78%	2.76%	2.76%	2.86%	2.93%	2.99%[1]	3.09%	3.08%	3.05%	2.93%	2.81%	2.88%[2]	2.94%[2]	2.98%[2]

1. References non-GAAP number for 4Q18; excludes $29 million of hedging gains reclassified from AOCI to net interest income in conjunction with the payment of long-term FHLB advances. Please see reconciliations on page 48 - 49.
2. References non-GAAP number as it excludes impact of $0.1 billion (2Q20), $1.4 billion (3Q20), and $1.8 billion (4Q20) of average balance of loans with government guarantees that have not been repurchased and do not accrue interest. Please see reconciliations on page 48 - 49.

Strong market position

- Leading deposit share in Michigan, Fort Wayne, IN[(1)], and San Bernardino County, CA (High Desert Region)
- Provides access to markets with attractive demographics and low-cost, stable liquidity for continued balance sheet growth

Michigan deposit share

2020 Rank				Deposits as of 12/31/2020 ($mm)		% YoY
Overall	MI-based	Institution	Branches	Total	Share	Change
1		Chase	208	$63,501	22%	43%
2		TCF/Huntington	513	39,743	14%	20%
3		Comerica	194	35,492	12%	22%
4		Bank of America	92	29,285	10%	28%
5		Fifth Third	191	21,632	8%	30%
6		PNC	164	21,220	7%	25%
7	**1**	**Flagstar**	**114**	**17,184**	**6%**	**32%**
8		Citizens	82	6,372	2%	10%
9		Independent	66	3,561	1%	18%
10		Mercantile Bank Corp.	43	3,272	1%	25%
		Top 10	**1,667**	**$241,262**	**83%**	**29%**

Key Markets

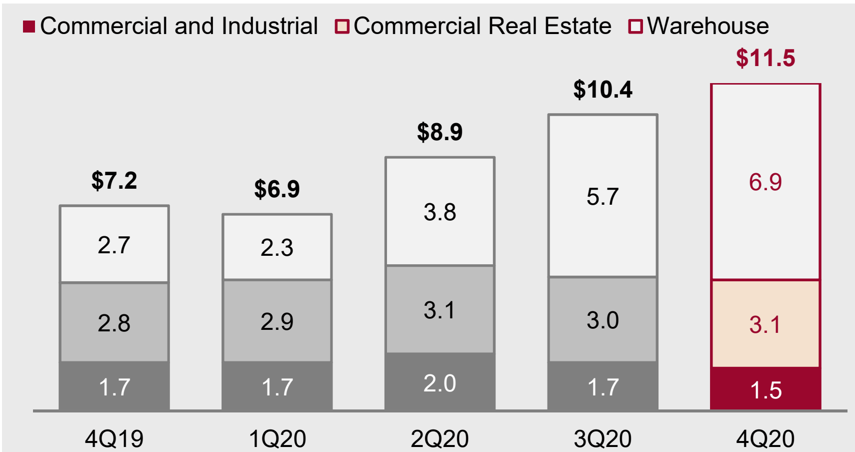
	Flagstar Deposits		Deposit	Median	Proj HHI	Proj pop
Market	$mm	% of total	mkt share	HHI	growth [(4)]	growth [(4)]
Oakland County, MI	$ 5,922	50.1%	8.1%	$ 86,562	10.7%	1.4%
Grand Rapids, MI MSA	392	3.3%	1.4%	68,835	10.2%	2.7%
Ann Arbor, MI MSA	265	2.2%	2.3%	78,844	12.5%	1.7%
Fort Wayne, IN[(1)]	808	6.8%	6.7%	60,699	9.4%	2.9%
Key Midwest Markets[(2)]	7,387	62.4%	6.0%	82,516	10.6%	1.6%
San Bernardino County, CA[(3)]	658	5.6%	1.0%	71,365	12.8%	3.6%
National aggregate				**$ 67,761**	**9.0%**	**2.9%**

Source: S&P Global Market Intelligence; Note: Deposit data as of December 31, 2020 and projections based on 2020 estimates; MI-based banks highlighted.
1. Fort Wayne, IN deposit data is based on Fort Wayne, IN Fed District. Fort Wayne, IN demographic data is based on counties within Fort Wayne, IN Fed District, deposit weighted based on Flagstar's portfolio.
2. Key Midwest Markets Median HHI, based on Flagstar's portfolio.
3. Deposit data is based on High Desert Region of San Bernardino County, CA. projected HHI growth and projected population growth are deposit weighted
4. 2021–2026 CAGR.

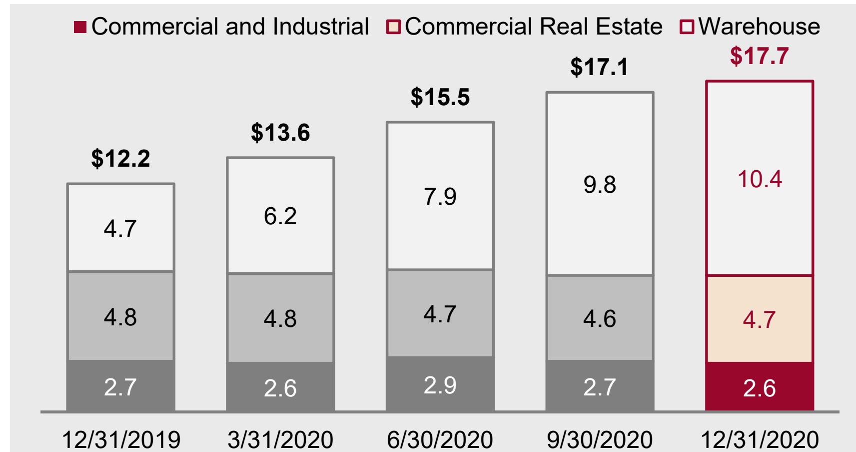
Flagstar Bancorp

Community banking

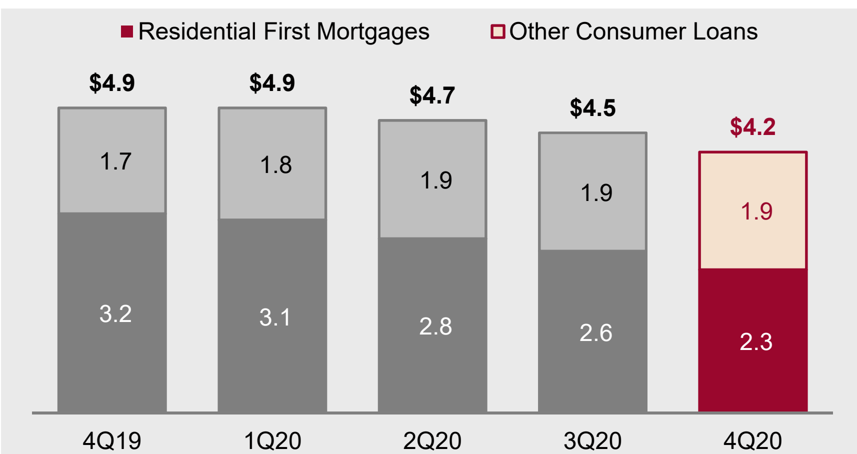
Average commercial loans ($bn)



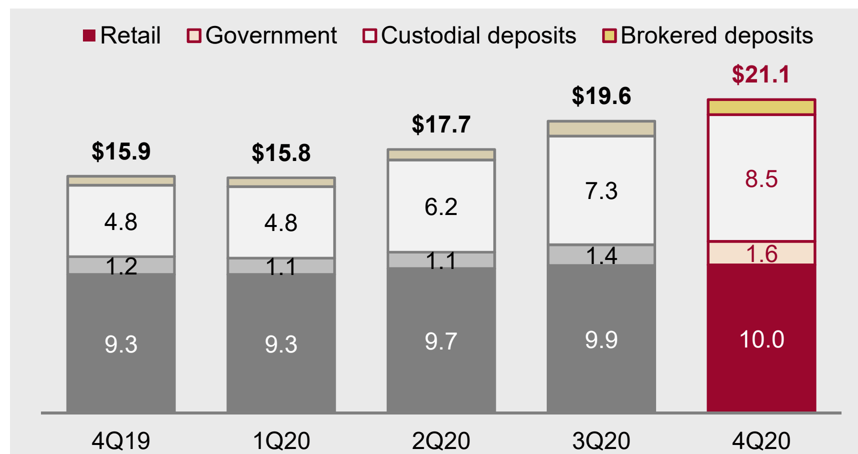
Quarter-end commercial loan commitments ($bn)



Average consumer loans ($bn)



Average deposit funding[1] ($bn)



1. Includes custodial deposits which are included as part of mortgage servicing.

Commercial real estate portfolio detail

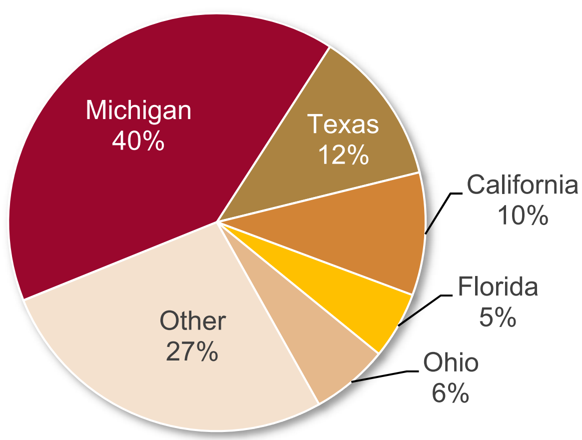
Commercial Real Estate ($bn)

	NBV	Commitment	% Utilization
Home Builder	$ 0.7	$ 1.7	42.3%
Multi Family	0.5	0.7	63.4%
Owner Occupied	0.4	0.4	97.1%
Retail	0.3	0.3	95.9%
Office	0.3	0.3	87.8%
Hotel/Motel	0.3	0.3	85.8%
Senior Living Facility	0.2	0.3	67.9%
Industrial	0.1	0.2	79.8%
Parking Garage/Lot	0.1	0.1	99.5%
All Other	0.2	0.3	75.2%
Total CRE	**$ 3.1**	**$ 4.6**	**66.0%**

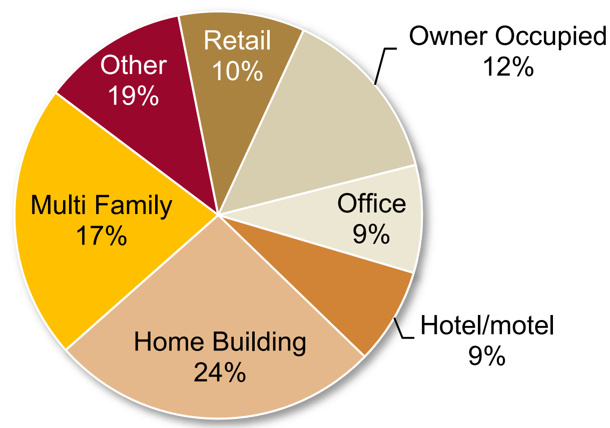
Portfolio Characteristics

- Average LTV ~53% and DSC ~2.4%
- 81% LIBOR / 15% Prime Rate / 4% Fixed Rate
- Over 96% of portfolio has Prime and LIBOR rate floors at or greater than 0%
- Shared National Credits ~7% of portfolio

State Breakdown (by collateral location)



Property Breakdown



Commercial and industrial portfolio detail

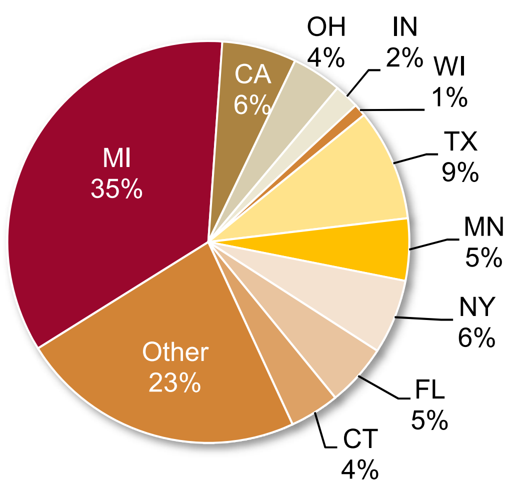
Commercial & Industrial ($bn)

	NBV	Commitment	% Utilization
Financial & Insurance	$ 0.5	$ 0.9	51.7%
Services	0.3	0.5	61.0%
Manufacturing	0.2	0.4	67.2%
Home Builder Finance	0.1	0.3	23.0%
Rental & Leasing	0.1	0.2	54.1%
All Other	0.2	0.3	57.9%
Total C&I	$ 1.4	$ 2.6	53.9%

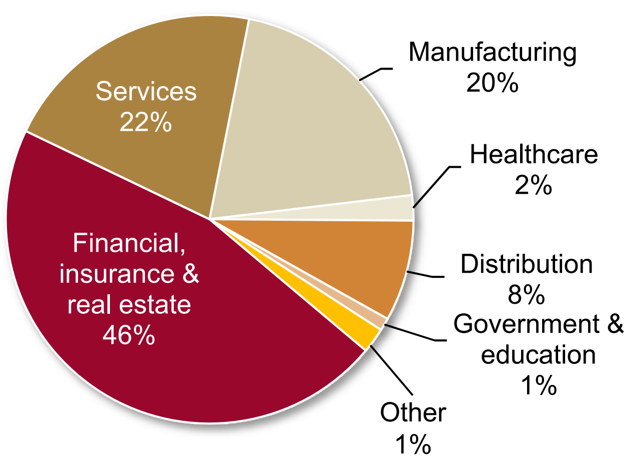
Portfolio Characteristics

- 76% LIBOR / 11% Fixed Rate / 13% Prime Rate
- Approximately 87% of portfolio has Prime and LIBOR rate floors at or greater than 0%
- Shared national credits ~48% of portfolio

State Breakdown



Industry Breakdown



Allowance for credit losses

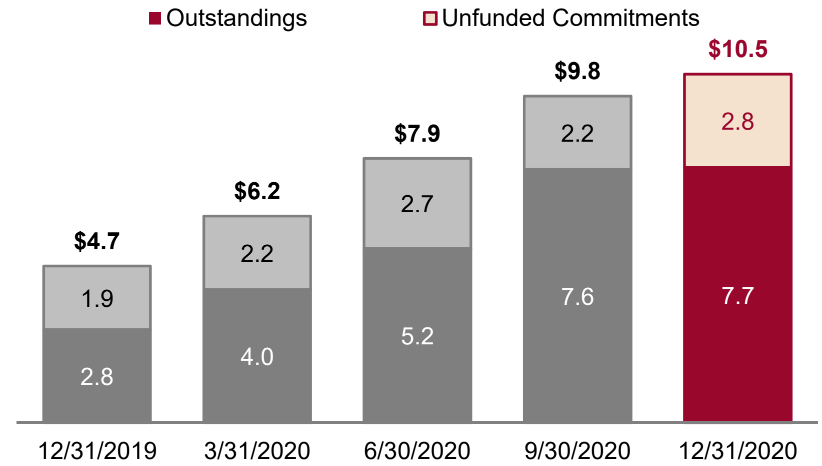
($ in millions)	September 30, 2020 Amount[1]		September 30, 2020 % of LHFI	December 31, 2020 Amount[1]		December 31, 2020 % of LHFI
Consumer:						
Residential First Mortgage	$	52	2.1%	$	49	2.2%
Home Equity		29	3.1%		25	2.9%
Other Consumer		39	4.0%		40	4.0%
Total Consumer		120	2.7%		114	2.8%
Commercial:						
Commercial Real Estate		106	3.5%		103	3.4%
Commercial and Industrial		47	3.1%		57	4.1%
Warehouse Lending		7	0.1%		6	0.1%
Total Commercial		160	1.3%		166	1.4%
Total Credit Reserve	$	280	1.7%	$	280	1.7%
Total Credit Reserve Excluding Warehouse	$	273	3.1%	$	274	3.2%

1. Includes reserve for unfunded commitment of $25 million and $28 million at 9/30/20 and 12/31/20, respectively.

Warehouse lending

- National relationship-based lending platform
- Attractive asset class with good spreads and low credit risk
- Flagstar is well positioned to hold market share, leveraging relationships in complementary lines of business, including home builder finance and mortgage originations
- **Collateral Breakdown:** Agency & Conventional 71.8% Government 21.4% / Jumbo 6.5% / Non-QM 0.3%

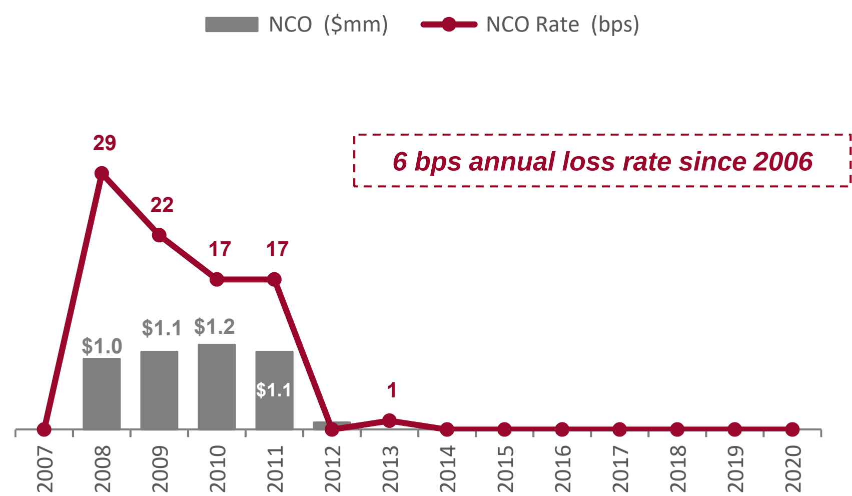
FBC warehouse loan commitments ($bn)



Lenders ranked by commitments ($mm)

Rank	Institution	YOY Growth	3Q20 Total	Share
1	JPMorgan Chase	14%	$21,000	16%
2	First Horizon	32%	10,420	8%
3	Flagstar Bancorp[1]	104%	9,802	8%
4	Texas Capital	18%	9,378	7%
5	TIAA FSB	35%	8,800	7%
6	Merchants Bank	58%	7,914	6%
7	Truist	85%	7,912	6%
8	Wells Fargo	17%	7,020	5%
9	Customers Bank	42%	5,100	4%
10	U.S. Bancorp	23%	4,660	4%
	Top 10	35%	$92,006	71%

Net chargeoffs



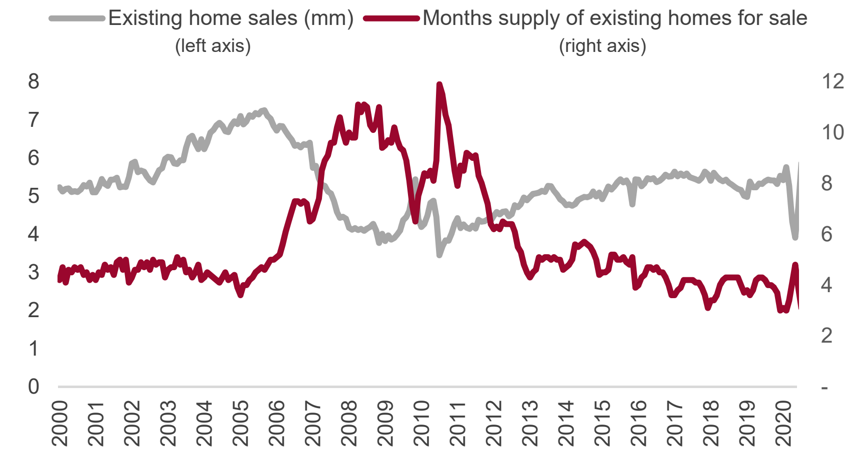
Source: Inside Mortgage Finance as of November 2020

Home builder finance

Overview

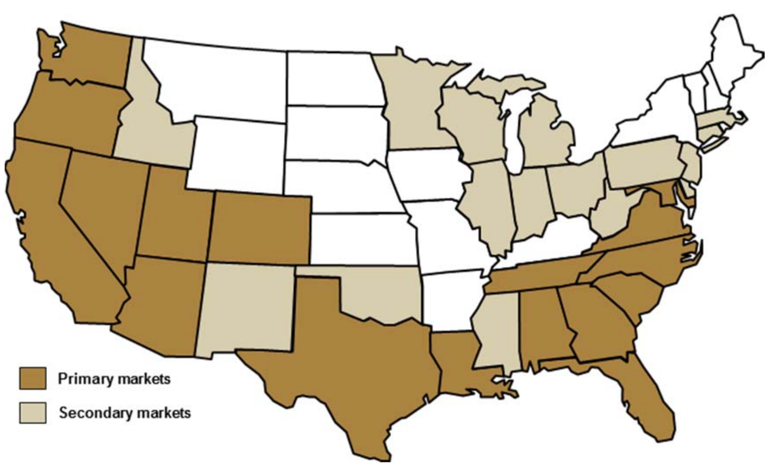
- National relationship-based lending platform launched in 1Q16
  - Attractive asset class with good spreads (~375 bps)
  - Meaningful cross-sell opportunities including warehouse loans, commercial deposits and purchase originations
- Flagstar is well positioned
  - Focused on markets with strong housing fundamentals and higher growth potential
  - We have direct relationships with 10 of the top 10 and do business with 56 of the top 100 builders nationwide (74 of the top 200) through June.

Tightening housing supply

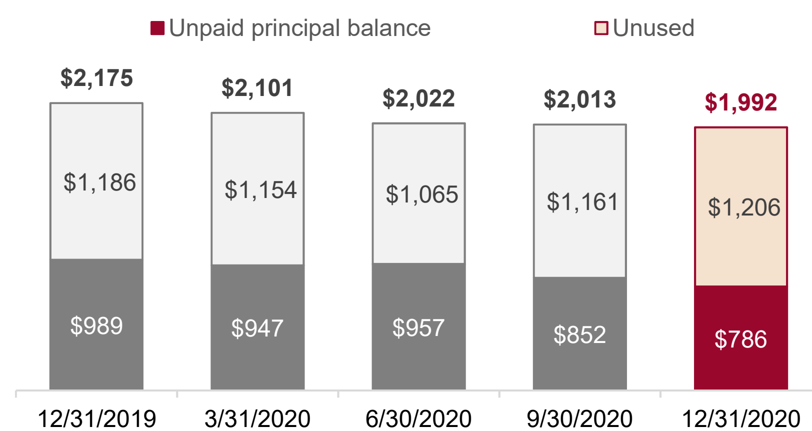


Source: Bloomberg (through 9/30/20)

Home builder finance footprint



Home builder loan commitments(1) ($mm)



1. Commitments are for loans classified as commercial real estate and commercial & industrial.

Leverage lending and SNCs

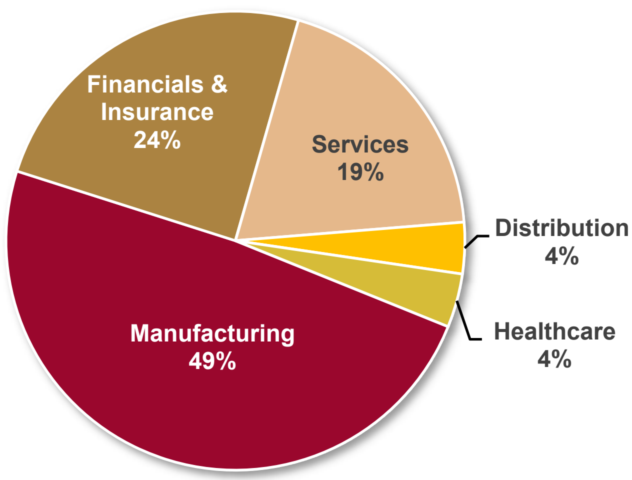
Leverage lending commentary

- Average UPB of ~$15 million per loan
- No nonperforming loans as of 12/31/20
- Loans totaling $5 million of commitments are rated as special mention or substandard
- SNCs comprised $211 million of total leveraged loan UPB

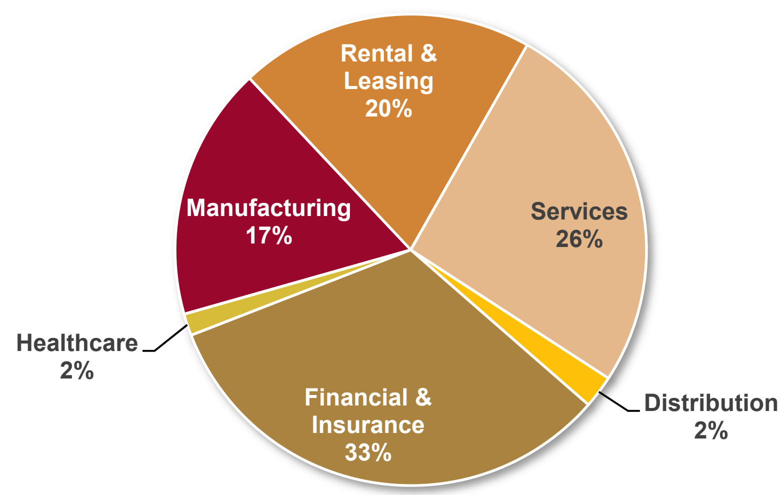
Shared national credits "SNCs" commentary

- 66 borrowers, average UPB of $15 million and average commitment of $26 million
- Total SNC breakdown: C&I ~68% / CRE ~21% / Warehouse ~11%
- We are the lead bank in 17% of these deals and this percentage continues to grow
- No nonperforming loans as of 12/31/20
- Loans totaling $26 million are rated as special mention or substandard

Portfolio Composition - $0.3bn UPB (12/31/20)



Portfolio Composition - $ 1.0bn UPB (12/31/20)

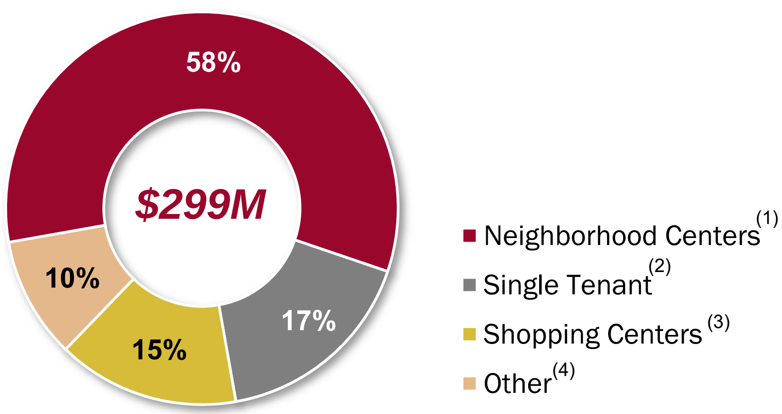


COVID Impacted Sectors – CRE

as of December 31, 2020 ($mm)

($mm)	UPB	% of LHFI	Portfolio Characteristics: Median Loan Size	Top 10 Borrowers	Total Borrowers	SNCs	Footprint Exposure	Construction	Credit Quality: $ Deferred	$ Past Due	$ NPLs	Watch	Credit Metrics (Pre-COVID): DSC	LTV	Occ
Retail	$ 299	1.8%	$ 2.0	81%	44	$ 19	89%	2%	$ -	$ -	$ -	0%	1.7	48%	95%
Hotel	279	1.7%	9.0	75%	22	11	70%	62%	14	-	-	33%	1.4	60%	61%
Senior Housing	146	0.9%	7.0	81%	17	-	33%	64%	-	20	-	0%	1.7	60%	84%
Total	**$ 724**	**4.5%**	**$ 5.7**		**83**	**$ 30**			**$ 14**	**$ 20**	**$ 0**	13%			

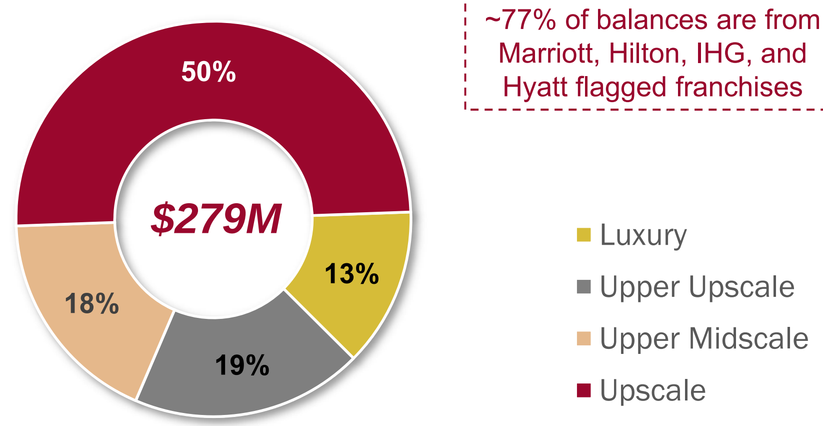
Retail UPB (as of December 31, 2020) ($mm)



Retail Descriptions
1. Retail centers < 100,000 sq. ft. – generally anchored by grocery stores
2. Single Tenant – Hardware stores 46% / Pharmacies 33%
3. Power centers
4. Other – includes one regional mall with $15mm in UPB

Hotel UPB[5] (as of December 31, 2020) ($mm)

~77% of balances are from Marriott, Hilton, IHG, and Hyatt flagged franchises



5. Classifications as determined by STR Chain Scales

Flagstar Bancorp

MSR portfolio

MSR portfolio statistics

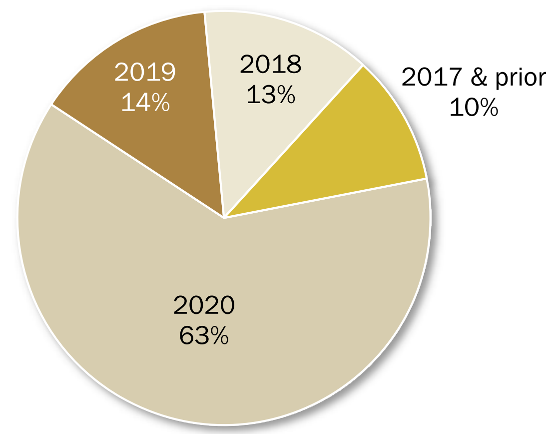
Measure ($mm)	9/30/2020	12/31/2020	Difference
Unpaid principal balance	$37,908	$38,026	$118
Fair value of MSR	$323	$329	$6
Capitalized rate (% of UPB)	0.85%	0.86%	1 bps
Multiple	2.487	2.575	0.088
Note rate	3.76%	3.66%	(10) bps
Service fee	0.34%	0.34%	- bps
Average Measure ($000)			
UPB per loan	$255	$252	($3)
FICO	722	726	4
Loan to value	78.31%	76.77%	(154) bps

Net return (loss) on mortgage servicing rights ($mm)

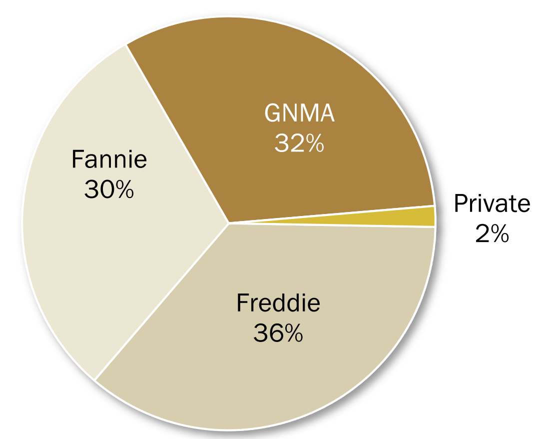
$ Return	4Q19	1Q20	2Q20	3Q20	4Q20
Net hedged profit (loss)	$0	$10	$1	$2	$3
Carry on asset	23	17	18	30	30
Run-off	(27)	(20)	(20)	(23)	(34)
Gross return on the mortgage servicing rights	**($4)**	**$7**	**($0)**	**$9**	**($1)**
Sale transaction & P/L	1	(1)	(3)	3	1
Model changes	-	-	(5)	-	-
Net return on the mortgage servicing rights ($)	**($3)**	**$6**	**($8)**	**$12**	**($0)**
Average mortgage servicing rights ($)	**$287**	**$252**	**$242**	**$292**	**$347**
Net return on the mortgage servicing rights (%)	**-4.1%**	**9.6%**	**-13.5%**	**16.3%**	**-0.2%**

MSR portfolio characteristics (% UPB)

By Vintage



By Investor



Flagstar Bancorp

Servicing

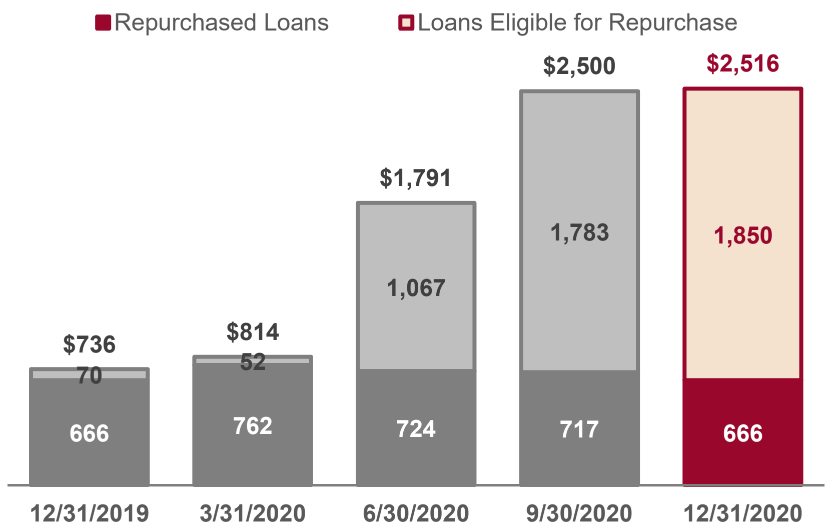
Servicing Profitability

($mm)	4Q19	1Q20	2Q20	3Q20	4Q20
Net interest income					
Interest income (FTP)	$ 27	$ 23	$ 12	$ 7	$ 8
Interest expense on custodial deposits [1]	(22)	(19)	(8)	(2)	(3)
Total net interest income	5	4	4	5	5
Noninterest income[2]					
Service fee income	28	30	35	39	37
Ancillary fee income	10	9	18	15	23
Late fee income	5	6	2	2	2
Total noninterest income	43	45	55	56	62
Noninterest expense[3]	(31)	(36)	(38)	(41)	(47)
Earnings before Tax	**$ 17**	**$ 13**	**$ 21**	**$ 20**	**$ 20**
Average Custodial Deposits ($bn)	$ 4.8	$ 4.8	$ 6.2	$ 7.3	$ 8.5
Average Loans Serviced for Others (000's)	1,042	1,086	1,062	1,074	1,095

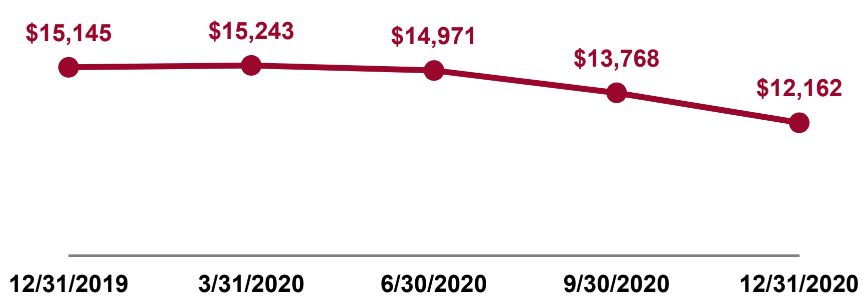
1. Expense on custodial deposits from loans subserviced which is included in net loan administration income for GAAP purposes. Includes intersegment allocation.
2. Service fee income and late fee income are included in net loan administration income for GAAP purposes; ancillary fee income is included in loan fees and charges for GAAP purposes.
3. Includes direct allocations.

Loans with government guarantees (LGG)

LGG UPB end of period ($mm)



GNMA MSR UPB end of period ($mm)



LGG Overview

General Overview

- GNMA Loans are eligible to be repurchased, at our option, after no payment has been made for 90 days (whether due to delinquency or forbearance)
- When eligible to be repurchased, accounting rules require us to record a loan and a related liability
- Loans eligible to be repurchased are limited to GNMA loans for which we own the MSR; not eligible to repurchase loans we are subservicing
- Prior to repurchasing the loan, no interest is earned, we continue to make advances and no credit risk is present
- All LGG loans, including loans eligible to be repurchased, are a 20% risk-weighted asset

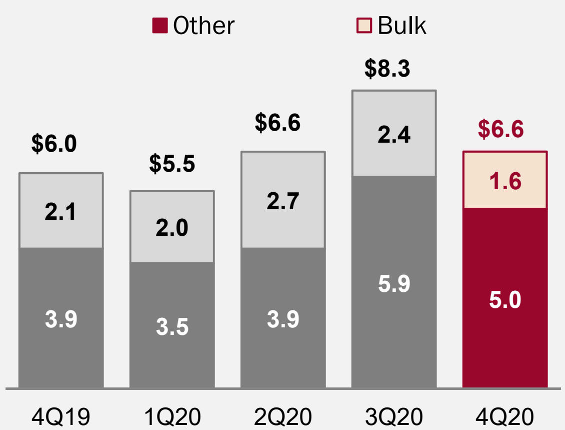
Impact/Opportunity

- $2.6 B GNMA loans (21%) are in forbearance as of 12/31/2020, of which $1.9 B are recognized on the balance sheet
- Approximately $89 million of eligible GNMA forbearance loans were repurchased during Q4
- Repurchased loans are able to be pledged as collateral with the FHLB
- Drag on capital ratios and NIM due to inflated balances created by loans eligible for repurchase; no actual income risk
- Estimated that $800 million will cure through the partial claim process, which will be bought out and re-securitized with an estimated impact to gain on sale of approximately $23 million in second half of 2021 and $9 million in 2022.
- Estimated another $250 million will cure through a modification, with an opportunity of approximately $10 million of gain on sale related to these loans.

National distribution through multiple channels

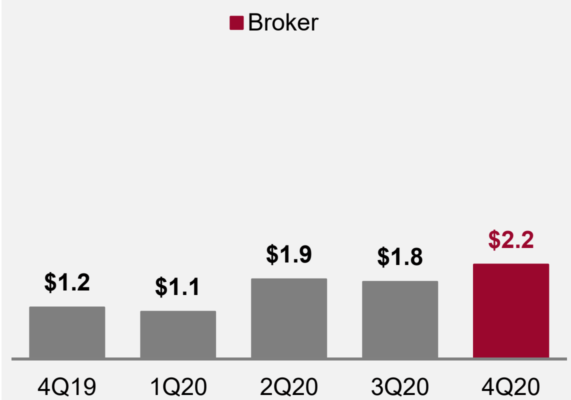
Residential mortgage originations by channel ($bn)

Correspondent



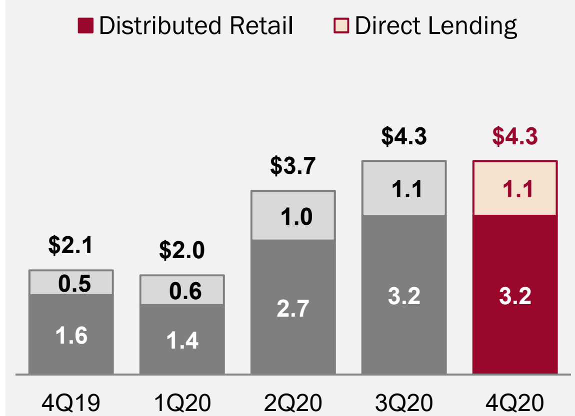
- 3.3% market share with #8 national ranking[1]
- More than 1,050 correspondent partners
- Top 10 relationships account for 19% of overall correspondent volume
- Warehouse lines with 304 correspondent relationships

Broker



- 1.3% market share with #13 national ranking[1]
- 1,300 broker relationships
- Top 10 relationships account for 22% of overall brokerage volume

Retail

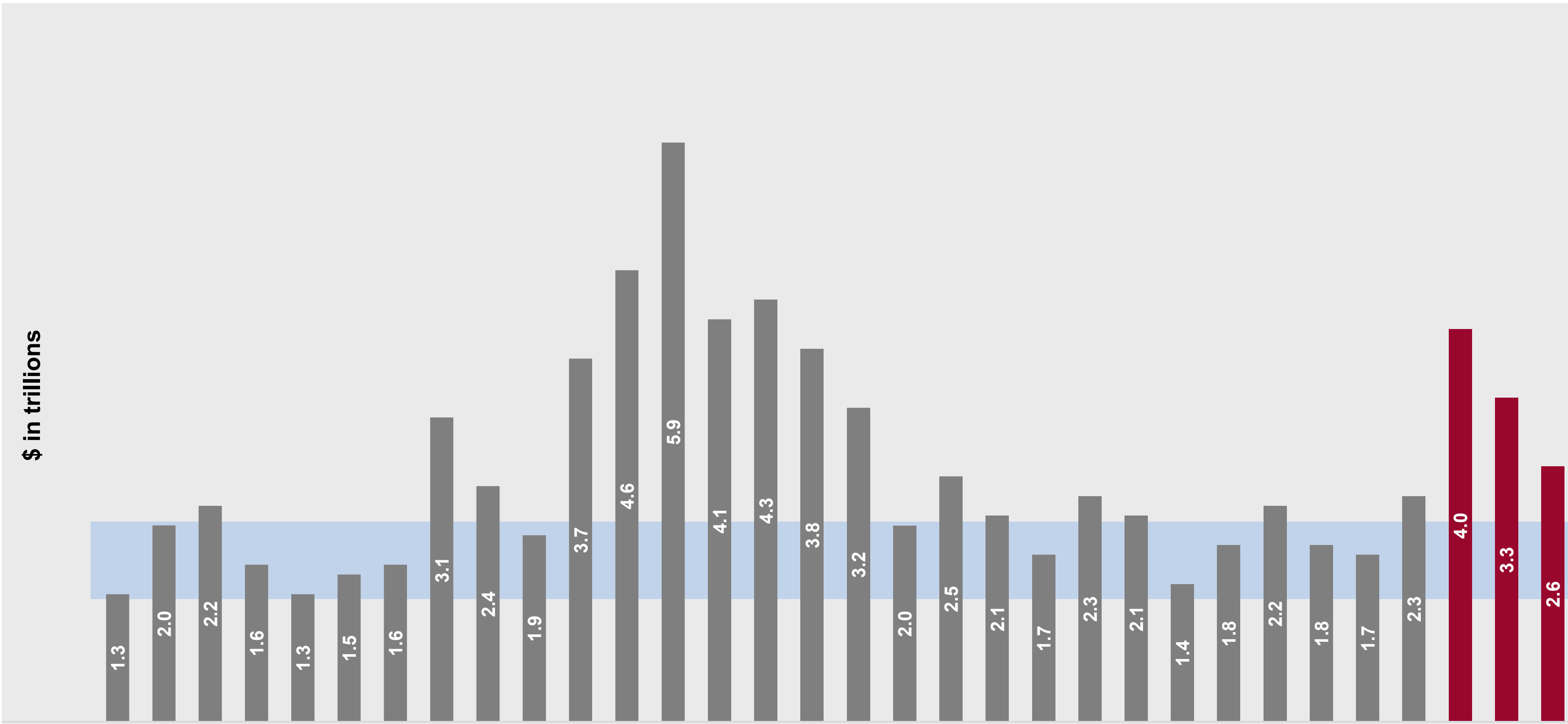


- 103 retail locations in 28 states
- Direct Lending is 30% of retail volume

1. Data source: As reported by Inside Mortgage Finance for 12M20 published August 28,2020.

Flagstar has a scalable origination platform that drives profitability in almost any mortgage origination market

U.S. residential mortgage origination market (historical and projected volumes)



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F	2022F
Nominal ($)	0.6	0.9	1.0	0.8	0.6	0.8	0.8	1.7	1.4	1.1	2.2	2.9	3.8	2.8	3.0	2.7	2.4	1.5	2.0	1.7	1.4	2.0	1.8	1.3	1.7	2.1	1.8	1.6	2.3	4.0	3.3	2.6
Real[1] ($)	1.0	1.6	1.8	1.3	1.1	1.3	1.3	2.6	2.1	1.7	3.2	4.0	5.3	3.7	3.9	3.5	2.9	1.8	2.4	2.0	1.6	2.3	2.0	1.4	1.8	2.2	1.8	1.7	2.3	4.0	3.3	2.6
Adjusted[2]($)	1.3	2.0	2.2	1.6	1.3	1.5	1.6	3.1	2.4	1.9	3.7	4.6	5.9	4.1	4.3	3.8	3.2	2.0	2.5	2.1	1.7	2.3	2.1	1.4	1.8	2.2	1.8	1.7	2.3	4.0	3.3	2.6

Source: Mortgage Bankers Association (MBA) for actual periods and a blended average of forecast by Fannie Mae(1/11/2021), Freddie Mac (1/14/2021) and MBA (1/20/2021).
1. Adjusted for historical inflation as reported by Bureau of Labor Statistics (2019 = 100).
2. Adjusted for population growth as reported by the U.S. Census Bureau (2018 = 100).

Flagstar Bancorp

Financial performance

- Solid growth in banking and subservicing has created more stable earnings
- Focus on efficiency and expense management

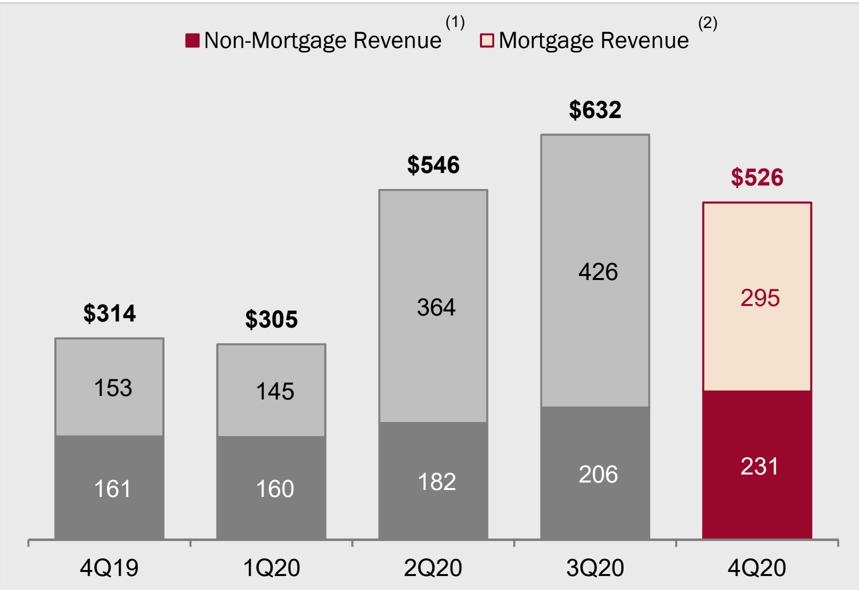
Revenue Composition and Earnings Metrics

Revenue (millions)	FY19	FY20	Percentage of Revenue	Percentage Increase
Community Banking	$ 478	$ 631	32%	32%
Mortgage Servicing	172	235	12%	37%
Subtotal	**650**	**866**	**44%**	**33%**
Mortgage Origination	533	1,240	62%	NM
Other [(1)]	(36)	(96)	-6%	167%
Total	**$ 1,147**	**$ 2,010**	**100%**	**75%**
Diluted Earnings per Share [(1)]	$ 3.46	$ 9.52		NM
Return on Average Assets [(1)]	1.0%	2.0%		
Return on Average Tangible Common Equity [(1)]	13.9%	29.0%		

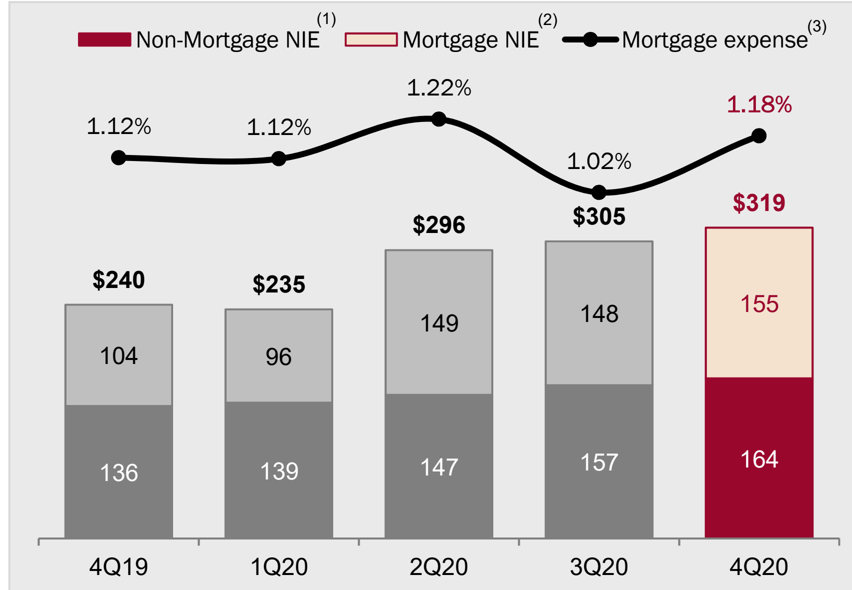
1. Non-GAAP number for YTD 2019. Number shown excludes $25 million DOJ benefit. Please see reconciliations on page 48 - 49.

Quarterly results

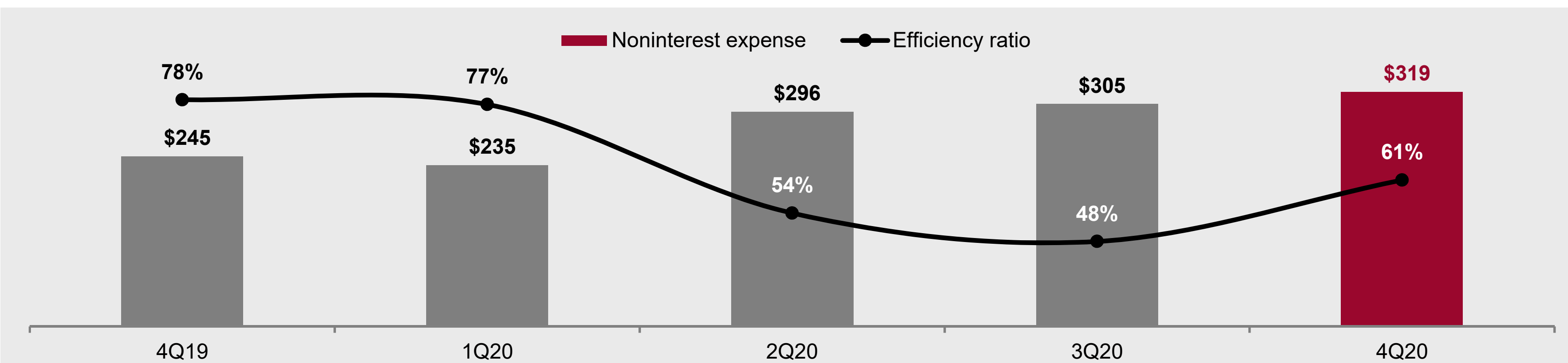
Quarterly revenue ($mm)



Quarterly adjusted noninterest expense ($mm)



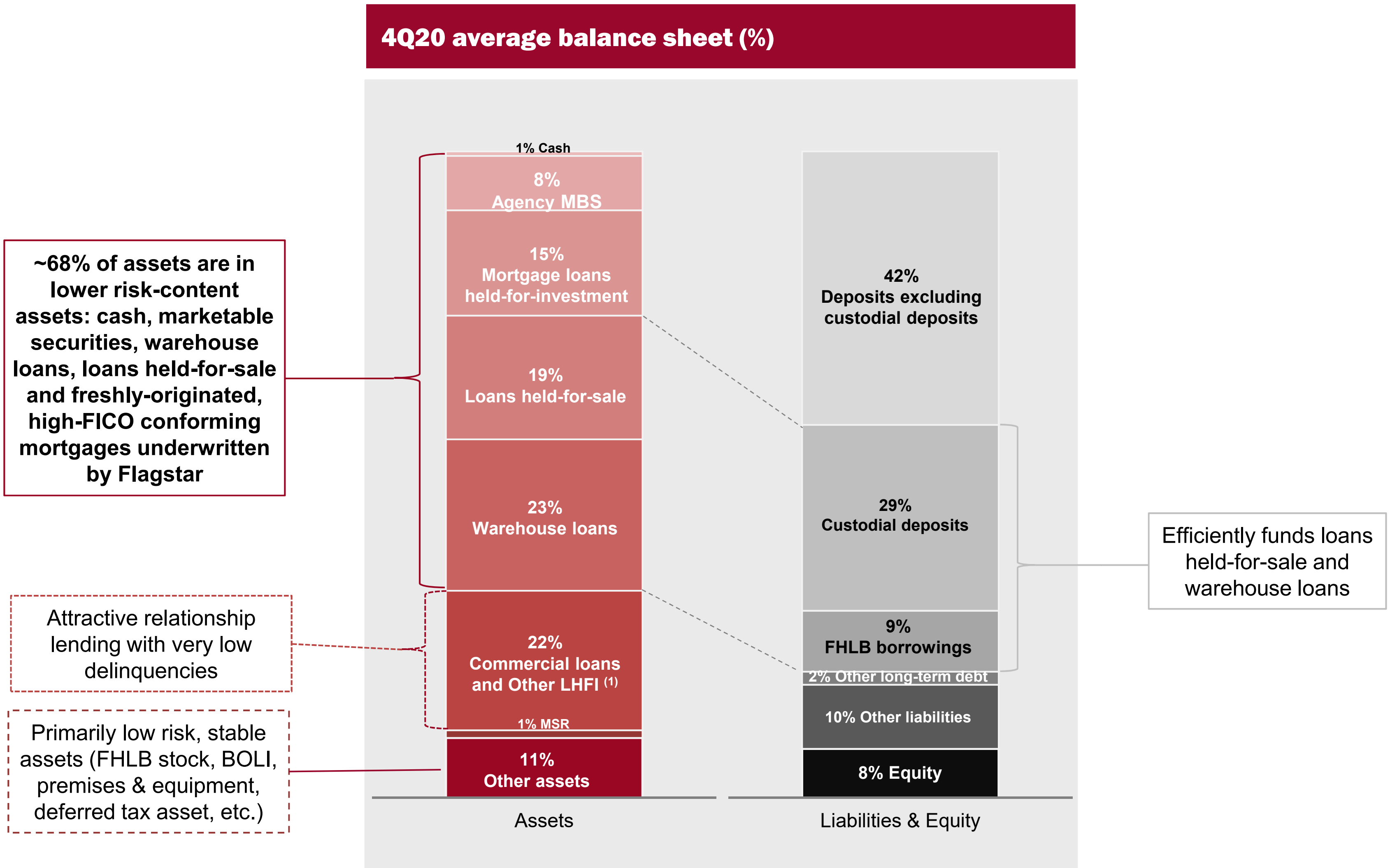
Quarterly noninterest expense ($mm) and efficiency ratio



1. Includes Servicing segment
2. Includes direct allocations.
3. As a percentage of that period's close volume

Flagstar Bancorp

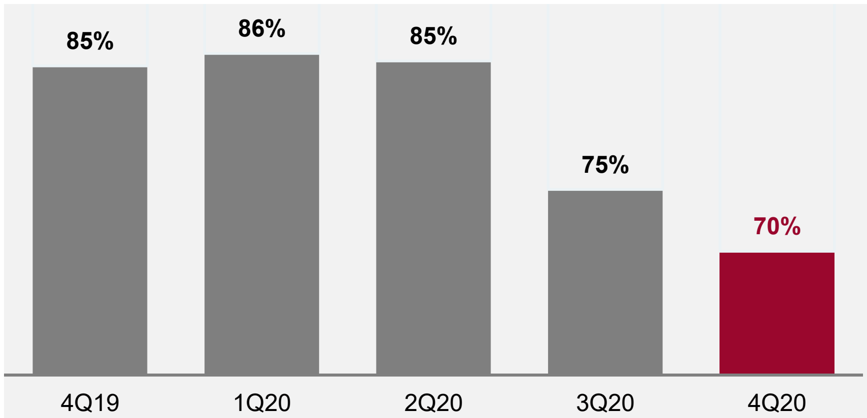
Balance sheet composition



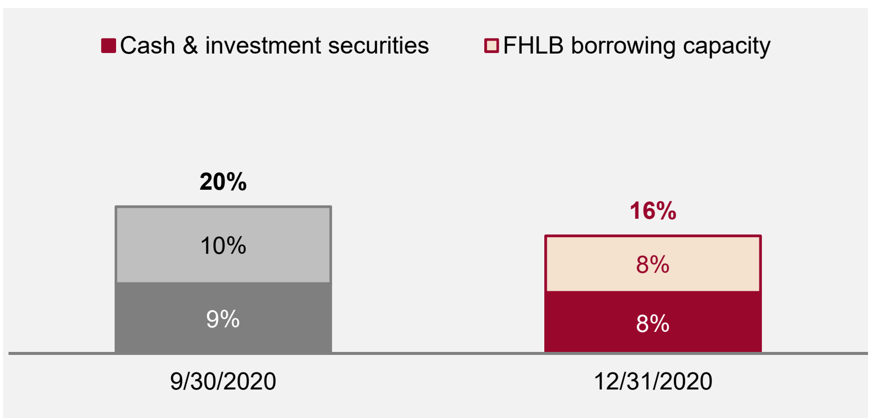
1) Other LHFI includes home equity and other consumer loans.

Liquidity and funding

Adjusted HFI loan-to-deposit ratio[1]



Liquidity ratio[2]



Commentary

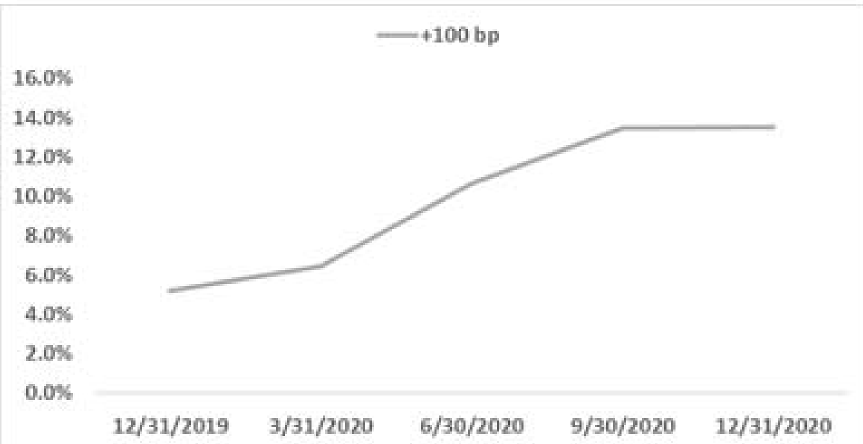
- Flagstar has invested significantly in building its Community Bank, which provides attractive core deposit funding for its balance sheet
- These retail deposits are supplemented by custodial deposits from the servicing business
- Much of the remainder of Flagstar's balance sheet is self-funding given it is eligible collateral for FHLB advances (which provides significant liquidity capacity)
- Over $1.4 billion of additional borrowing capacity through the discount window

1. Adjusted HFI loan-to-deposit ratio is total average loans HFI (excluding warehouse loans) expressed as a percentage of total average deposits (excluding custodial deposits). Please see non-GAAP reconciliations on page 48 - 49.
2. Cash, investment securities and FHLB borrowing capacity expressed as a percentage of total assets.

Interest rate risk

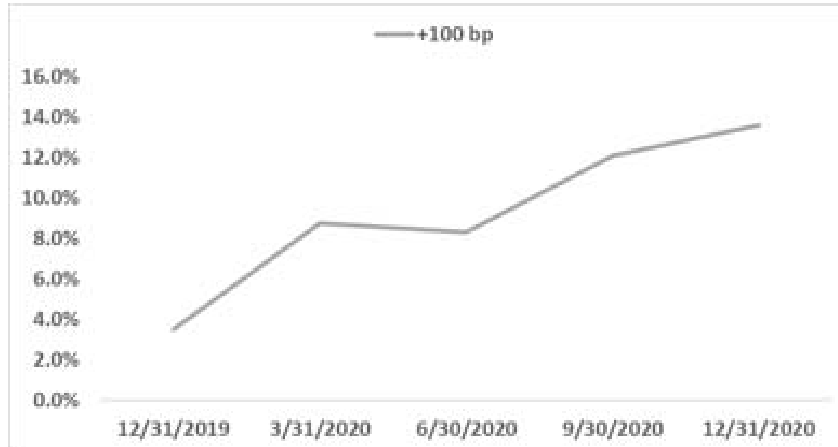
- Flagstar's net interest income remains asset sensitive due to pay fixed interest rate swaps

Earnings at Risk



	% Change				
Scenario	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
+300 Shock	40.0%	39.9%	30.2%	18.0%	15.2%
+200 Shock	27.0%	26.9%	20.9%	12.4%	10.2%
+100 Shock	13.5%	13.5%	10.6%	6.5%	5.2%
Base	-	-	-	-	-

Economic Value of Equity



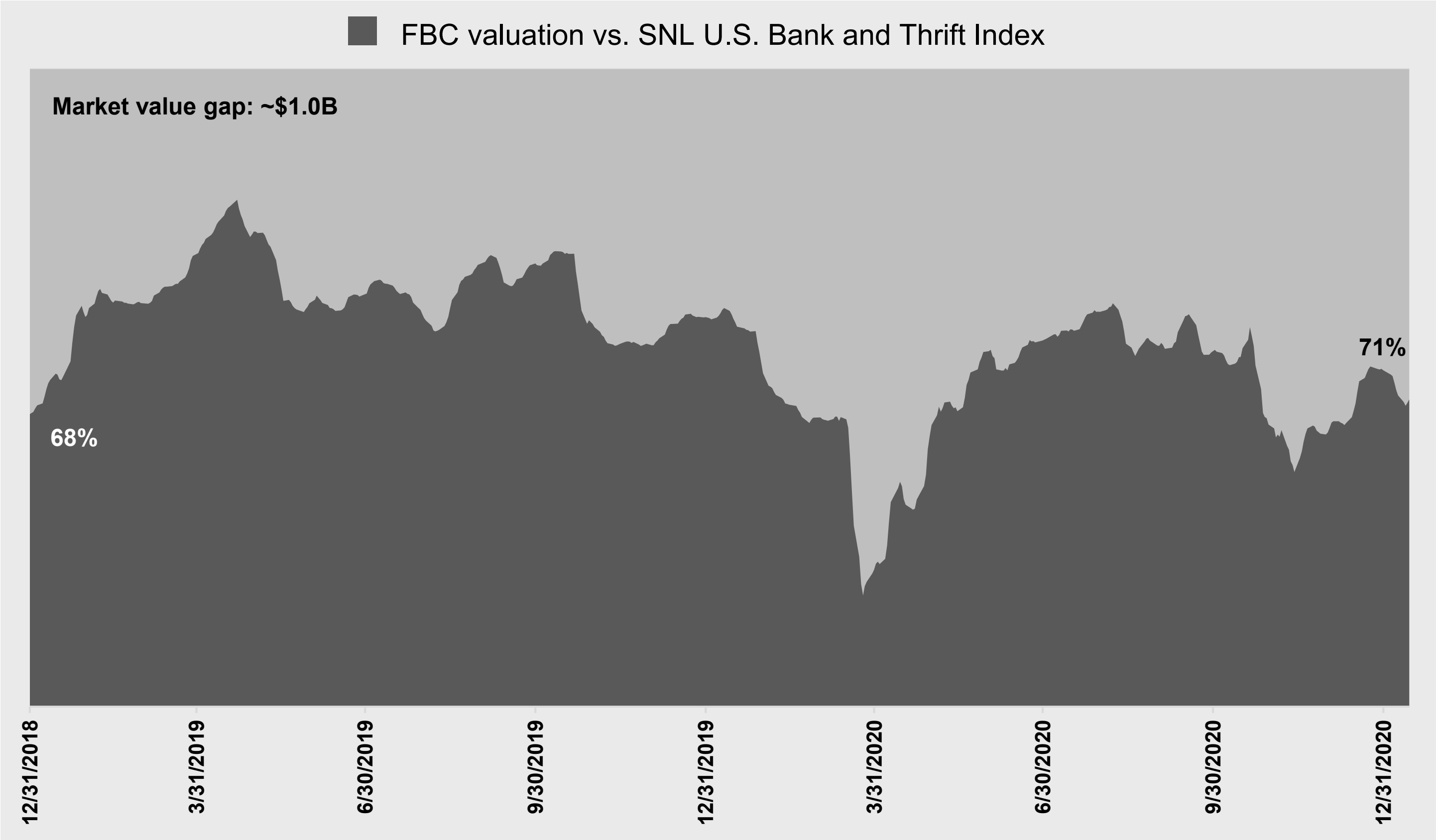
	% Change				
Scenario	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
+300 Shock	29.1%	24.2%	17.7%	20.0%	5.0%
+200 Shock	22.8%	19.2%	13.6%	14.9%	5.2%
+100 Shock	13.6%	12.1%	8.3%	8.8%	3.5%
Base	-	-	-	-	-

Valuation metrics

Observation: FBC trades at a discount to its banking peers

- All 6 analysts have a buy rating as of January 2021 (3-strong buy / 3-buy)
- Consensus price target of $48.92 – currently trading at 93% of current price target

Market / tangible book value



Source: SNL Financial; as of 1/19/2021

Flagstar Bancorp

Earnings guidance[1]

1st Quarter 2021 Outlook	
Net interest income	• Net interest margin should be relatively flat
Noninterest income	• Gain on sale revenue to be between $200 million and $220 million
Noninterest expense	• Noninterest expense of $295 million to $305 million for the first quarter of 2021
Tax rate	• Effective tax rate in 2021 will be approximately 23 percent

1) See cautionary statements on slide 2.

Non-GAAP reconciliation

$mm

Adjusted ROA, ROE and ROTCE

	As of December 31, 2019
Return on Average Assets	1.1%
Adjustment to remove DOJ benefit (net of tax)	-0.1%
Adjusted return on average assets	**1.0%**
Return on average tangible common equity	15.2%
Adjustment to remove DOJ benefit (net of tax)	-1.3%
Adjusted return on tangible commmon equity	**13.9%**

Tangible Book Value Per Share and Tangible Common Equity to Assets Ratio

	As of December 31, 2020	As of December 31, 2019
Total stockholders' equity	$ 2,201	$ 1,788
Goodwill and intangible assets	157	170
Tangible book value	$ 2,044	$ 1,618
Number of common shares outstanding	52,656,067	56,631,236
Tangible book value per share	**$ 38.80**	**$ 28.57**

Adjusted HFI Loan-to-Deposit Ratio

	As of December 31, 2020	As of September 30, 2020	As of June 30, 2020	As of March 31, 2020	As of December 31, 2019
Average LHFI	$ 15,703	$ 14,839	$ 13,596	$ 11,823	$ 12,168
Less: Average warehouse loans	6,948	5,697	3,785	2,310	2,747
Adjusted average LHFI	$ 8,755	$ 9,142	$ 9,811	$ 9,513	$ 9,421
Average deposits	$ 21,068	$ 19,561	$ 17,715	$ 15,795	$ 15,904
Less: Average custodial deposits	8,527	7,347	6,223	4,776	4,772
Adjusted average deposits	$ 12,541	$ 12,214	$ 11,492	$ 11,019	$ 11,132
HFI loan-to-deposit ratio	74.5%	75.9%	76.7%	74.9%	76.5%
Adjusted HFI loan-to-deposit ratio	**69.8%**	**74.8%**	**85.4%**	**86.3%**	**84.6%**

Non-GAAP reconciliation (continued)

$mm

Adjusted Net Interest Margin

	3 Months ended December 31, 2020	3 Months ended September 30, 2020
Net interest margin	2.78%	2.78%
Adjustment to LGG loans available for repurchase	0.20%	0.16%
Adjusted net interest margin	**2.98%**	**2.94%**

Adjusted Total Revenues, Net Interest Income, and Noninterest Expense

	3 Months ended December 31, 2019	3 Months ended December 31, 2018	12 Months ended December 31, 2019
Total revenues			$ 1,172
Adjustment to remove DOJ benefit			(25)
Adjusted total revenues			**$ 1,147**
Net interest income		$ 152	
Adjustment to remove hedging gains		(29)	
Adjusted net interest income		**$ 123**	
Noninterest expense	$ 245		
Adjustment to remove Wells Fargo acquisition costs	-		
Discrerionary items	(5)		
Adjusted noninterest expense	**$ 240**		

Adjusted Diluted Earnings Per Share

	12 months ended December 31, 2019
Diluted earnings per share	$ 3.80
Adjustment to remove DOJ benefit (net of tax)	(0.34)
Adjusted diluted earnings per share	**$ 3.46**