

FLAGSTAR BANCORP INC
Form FWP
June 11, 2018

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Offering Summary Issuer • Flagstar Bancorp, Inc. (“Flagstar” or “FBC”) Exchange / Ticker • NYSE / FBC Shares Offered • 8,000,000 shares (100% secondary)
Overallotment • 15% of the base deal (100% secondary) Option Use of Proceeds • FBC will not receive any proceeds from this offering Lock-Up • 90 days for

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Flagstar directors and executive officers and the selling stockholder Underwriters • Sandler O'Neill + Partners, L.P., Keefe, Bruyette & Woods, Inc., A Stifel
Company Expected Pricing • June 11, 2018 3

Key investment highlights Flagstar is a national mortgage business and a market leading bank in Michigan Low-risk balance sheet with ~71% of assets in lower risk-content assets Disciplined management team with deep banking experience Diversified revenue stream with Noninterest Income / Operating Revenue of 51%

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Recently announced and pending accretive acquisition of \$2.3 billion in deposits at a cost of 0.04% Source: S&P Global Market Intelligence 4

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offices(3) offices 99 (1)(2) Branches in Community banking Michigan • Leading Michigan-based bank with a balanced, diversified lending platform • \$18.0bn of assets and \$12.3bn of deposits • 159 branches • More than 300k household & 17k business relationships Mortgage origination • Leading national originator of residential mortgages (\$36.4bn during last twelve months to March 31, 2018) • 92 retail home lending offices operating in 31 states • More than 1,000 correspondent and more than 800 broker relationships Mortgage servicing • 8th largest sub-servicer of mortgage loans Operations center nationwide • Currently servicing approximately 470k loans • Scalable platform with capacity to service 1 mm loans 1) Includes the completed acquisition of 8 Desert Community Bank branches in the High Desert region of San Bernardino County, CA. • Efficiently priced deposits from escrow balances 2) Reflects the pending acquisition of 52 Wells Fargo branches located in Indiana (33), Michigan (14), Wisconsin (4) and Ohio (1). 3) Includes seven home lending offices located in banking branches. 4) Opes has one retail lending office in Honolulu, HI that is not pictured on this map. 6

Strong business model ... Originates mortgages in multiple channels on a national scale, which ... Expands our key B2B ... Generates capital relationships to develop greater with high ROE fee-based mortgage origination referrals, activity and servicing improving our ability to ... relationships, which ... Cross-sell our banking ...

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Leverages our products to deepen our B2B scalable sub-servicing relationships, which ... platform, which ... Builds enduring net ... Generates stable, lower interest margin driven cost, long-term funding, revenue, allowing us to ... which we are able to ... Deploy excess funding into lending opportunities where we are a lender of choice, which ... 7

Strong executive team Board of Directors John Lewis Chairman Chief Audit Officer Sandro DiNello Brian Dunn 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

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product strategy Chief Chief Mortgage Community Chief Risk General Operating Officer Financial Officer Banking Banking Officer Counsel Lee Smith Jim
Ciroli Kristy Fercho Drew Ottaway Steve Figliuolo Patrick McGuirk • COO since 5/13 • CFO since 8/14 • Appointed • Executive Vice • CRO since 6/14 • General
Counsel • Formerly a partner • More than 30 years President of President, Michigan • Over 35 years of since 6/15 of MatlinPatterson of banking and Mortgage
effective Market President financial services • 20 years of legal Global Advisors and financial services 9/17 and Managing experience with experience with the a
Senior Director at experience with • Has 15 years Director, Lending Citizens Republic, FDIC and Sidley Zolfo Cooper First Niagara, experience with • With
Flagstar since Fleet Boston Austin LLP • Extensive expe- Huntington and Fannie Mae in 12/15 and has 30 Financial, First rience in financial KeyCorp various
executive years of banking Union and Chase management and and leadership and commercial Manhattan operations roles focused on lending experience building
banking in southeast • Chartered Accoun- relationships and Michigan with tant in England and growth initiatives Comerica and NBD Wales 8

Strong market position Market characteristics Flagstar's branch network Leading position in Michigan 2017 Rank Deposits (\$mm) % YoY Overall MI-based
Institution Branches Total Share Change 1 Chase 234 \$43,668 21% 5% 2 Comerica 197 29,481 14% 14% 3 PNC 117 17,796 8% 11% 4 Bank of America 190

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17,425 8% 5% 5 Fif th Third 211 16,954 8% 7% 6 Huntington 316 14,756 7% 8% 7 1 Chemical 206 11,565 6% 6% 8 2 Flagstar(1) 113 9,631 5% 3% 9 Citizens
95 5,538 3% 9% 10 TCF 52 3,010 1% 13% Top 10 1,731 \$169,825 81% 8% Attractive Midwest markets Flagstar Deposits Deposit Median Proj HHI Proj pop
Market \$mm % of total mkt share HHI(3) grow th(3)(4) grow th(3)(4) Oakland County(2) 3,497 35.6% 6.7% 76,705 11.7% 1.9% Fort Wayne(5) 1,302 13.3%
11.5% 54,542 9.1% 2.8% Grand Rapids MSA 415 4.2% 2.0% 61,391 10.9% 3.3% Ann Arbor MSA 351 3.6% 4.0% 69,221 8.9% 3.3% Key Flagstar markets
5,565 56.7% 6.0% 69,930 10.9% 2.3% Existing Flagstar Michigan branches (99) National aggregate 61,045 8.9% 3.5% Wells Fargo branches pending acquisition
(52) Source: S&P Global Market Intelligence; Note: Deposit data as of June 30, 2017 and projections based on 2018 estimates; MI-based banks highlighted. 1)
Reflects the pending acquisition of 52 Wells Fargo branches located in Indiana (33), Michigan (14), Wisconsin (4) and Ohio (1). 2) Oakland County data excludes
\$1.5bn of custodial deposits held at company headquarters. 3) Flagstar Median HHI, projected HHI growth and projected population growth are deposit weighted.
4) 2018–2023 CAGR. 5) Fort Wayne, IN market area includes Forth Wayne, IN Fed District plus the cities of Monticello, Peru, Rochester, Rushville, and Wabash,
IN and Van Wert, OH. 9

Pending Branch Acquisition Transaction Overview • Flagstar is acquiring 52 branches located in Indiana, Michigan, Wisconsin and Ohio from Wells Fargo - Approximately \$2.3 billion of deposits at an average cost of 0.04%(1) Transaction - 66% of deposits are located in IN (33 branches); 26 branches in Fort Wayne,

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IN (#1 market share) (2) summary - 27% are located in the Upper Peninsula of MI (14 branches); #1 market share (2) - 7% are located in WI (4 branches) and OH (1 branch) - Approximately \$130 million of loans(1) • Effective deposit premium of approximately 7 percent based on balances as of December 31, 2017 Financial •

Expected to be accretive to earnings per share in 2019 consideration • Tangible book value payback period of significantly less than 5 years • Conducted comprehensive due diligence • Transaction is subject to regulatory approval; closing is expected in early fourth quarter 2018 Other considerations • Intend to keep all branches and retain all employees • Target an 8 - 9 percent Tier 1 leverage ratio at close. Any capital needed is expected to be met through a combination of earnings retention and balance sheet management (1) As of December 31, 2017. (2) Source: FDIC Summary of Deposits as of June 30, 2017; acquired branch data as of December 31, 2017; Fort Wayne, IN market area includes Forth Wayne, IN Fed District plus the cities of Monticello, Peru, Rochester, Rushville, and Wabash, IN and Van Wert, OH; Upper Peninsula of MI market area includes the counties of Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, and Menominee, MI. 10

Pending Branch Acquisition Strategic rationale • Improves ability to increase presence in well-known Midwest market - #1 market share in Fort Wayne, IN and Upper Peninsula of MI markets(1) Builds Midwest footprint • Adds nearly 200,000 new customers/relationships; more than doubles customer base • Completion of

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the proposed Wells Fargo branch acquisition together with the recently completed DCB branch acquisition will significantly expand branch network in short time • Transformational banking transaction Enhances franchise • Moves funding from wholesale borrowings to core deposits, reducing rate sensitivity of funding base value - Interest-bearing demand deposits increase to 12 percent of total deposits - Total funding cost drops 21 basis points(2) • Transaction provides low-cost, stable funding • At closing, liquidity will be used to repay short-term FHLB advances Transforms funding - Wholesale funding ratio falls 13 percentage points to 23 percent(3) source - HFI loan-to-deposit ratio declines 18 percentage points to 66 percent(4) • Longer-term, larger branch network expands access to core deposits and other business opportunities (1) Source: FDIC Summary of Deposits as of June 30, 2017; acquired branch data as of December 31, 2017; Fort Wayne, IN market area includes Forth Wayne, IN Fed District plus the cities of Monticello, Peru, Rochester, Rushville, and Wabash, IN and Van Wert, OH; Upper Peninsula of MI market area includes the counties of Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, and Menominee, MI. (2) Pro-forma as of March 31, 2018. Total funding cost is interest expense on interest-bearing liabilities divided by average funding liabilities (interest-bearing liabilities plus noninterest-bearing deposits). (3) Pro-forma as of March 31, 2018. Wholesale funding ratio is average wholesale funding (wholesale deposits plus FHLB advances) divided by average funding liabilities. (4) Pro-forma as of March 31, 2018. HFI loan-to-deposit ratio is average HFI loans (excluding warehouse loans) divided by total average deposits (excluding company-controlled deposits). 11

Pending Branch Acquisition Key Model Assumptions Expected to be accretive to EPS • Estimated transaction closing in October 2018 • Approximately 17% deposit run-off assumed, all occurring post-closing - Assumption informed by the deposit run-off in the Old National Bancorp / Bank of America and Huntington

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Bancshares Incorporated /Bank of America branch acquisitions • Transaction proceeds assumed fully deployed within 1.5 years of closing • At closing, most of the deposits are used to reduce outstanding FHLB borrowings Key Model Assumptions • One-third of the purchase price is allocated to core deposit intangible (“CDI”) with the remainder allocated to goodwill - CDI is amortized sum-of-the-years method over eight years - No deferred tax liability associated with the CDI due to this being an asset purchase • Branch costs are ~\$600,000 per year, net of fee income, while back office costs increase ~\$6 million to support the additional volume

- Changes in interest rates are based on the implied forward rates at the time of the announcement 12

Current and Pro Forma Ownership As a result of the proposed secondary offering of 8,000,000 shares, MP Thrift Investments L.P. will reduce its ownership by ~14% to ~48% ownership interest in Flagstar Current Ownership Pro Forma Ownership ¹ MP Thrift Investments L.P. 48% Other Holders 38% Other Holders MP

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Thrift 52% Investments L.P. 62% Source: S&P Global Market Intelligence 1) Pro forma ownership based on MP Thrift Investments L.P. selling 8,000,000 shares in the proposed secondary offering 13

Strong growth opportunities Grow community banking Expand mortgage business • Opportunistic team lift outs • Recruit experienced talent to increase share of origination market • Grow national lending platforms(1) - Distributed and direct-to-consumer retail - Expand warehouse lending (375bp spread) - TPO account

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executives - Grow home builder finance (475bp spread) • Grow servicing operations Build - Build MSR lending (425bp spread; LTVs<60%) - Acquire new sub-servicing relationships • Cultivate middle-market and business banking relationships - Cross-sell additional revenue capabilities • Add specialty lending disciplines and teams 1) Indicated spreads are targets and may not be reflective of actual spreads. 14

Q1 Financial highlights • Net income of \$35 million, or \$0.60 per diluted share, in 1Q18 Strong relationship- - Increased HELOC, CRE and C&I loans based business model - Mortgage revenues down on seasonal decline in originations and margin compression from competitive market - Mortgage Servicing gained

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scale from sales of MSRs (servicing retained) • 2018 Q1 Profitability Metrics: - ROAA of 0.82% Profitability - ROAE of 9.94% - Noninterest Income / Operating Revenue of 51.15% • Net interest income of \$106 million, reflecting two fewer days in quarter Grow community - Average earning assets unchanged; earning assets at quarter-end of \$16 billion banking - Net interest margin stable; booking attractive spread assets while managing deposit costs - Acquisitions late in the quarter will provide immediate benefits • Mortgage revenue(1) down \$11 million; lower net gain on loan sales partially offset by higher net return on MSRs Seasonally lower - Net gain on loan sales fell \$19 million, reflecting lower FOAL (down 11%) and GOS margin (down 14 basis points) mortgage revenues - Net return on MSRs 5 percent after transaction costs of \$2 million from MSR sales in 1Q18 • Negligible net charge-offs Strong • Nonperforming loan ratio fell to 0.35 percent; early stage consumer delinquencies low; no commercial loan asset quality delinquencies over 30 days • Allowance for loan losses covered 1.7 percent of loans HFI • Capital remained strong with regulatory capital ratios well above current “well capitalized” guidelines Robust capital - Tier 1 leverage at 8.7 percent with nearly 50 basis points of trapped capital in MSRs and DTAs position - Tier 1 leverage has approximately 370 basis point buffer to “well-capitalized” minimums that would grow to approximately 420 basis points under the Capital Simplification proposal 1) Mortgage revenue is defined as net gain on loan sales HFS plus the net return on the MSRs. 16

Quarterly income comparison \$mm Observations 1Q18 4Q17 \$ Variance % Variance A Net interest income Net interest income A \$106 \$107 (\$1) (1%) • Net interest income declined \$1mm Provision for loan losses ("PLL") - 2 (2) (100%) Net interest income after PLL 106 105 1 1% • Average earning assets steady at

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\$15.4bn Net gain on loan sales 60 79 (19) (24%) - Net interest margin stable at 2.76% Loan fees and charges 20 24 (4) (17%) - Deposits grew 3% Loan administration income 5 5 - - Net return on mortgage servicing rights 4 (4) 8 N/M B Noninterest income Representation and warranty benefit 2 2 - - Other noninterest income 20 18 2 11% • Noninterest income fell \$13mm Total noninterest income B 111 124 (13) (10%) - Net gain on loan sales down \$19mm due to Compensation and benefits 80 80 - - seasonal decline in mortgage originations and Commissions and loan processing expense 32 39 (7) (18%) margin compression from competitive market Other noninterest expenses 61 59 2 3% - Net return on MSR's improved \$8mm Total noninterest expense C 173 178 (5) (3%) Income before income taxes 44 51 (7) (14%) C Noninterest expense Provision for income taxes 9 16 (1) (7) (44%) (1) Net income \$35 \$35 - - • Noninterest expense decreased \$5mm or 3% (1) Diluted income per share \$0.60 \$0.60 - - - Commissions and loan processing expense declined \$7mm on lower mortgage closings Profitability Net interest margin 2.76% 2.76% 0 bps - Compensation and benefits steady at \$80mm Total revenues \$217 \$231 (\$14) (6%) - Merger expenses of \$1mm Net gain on loan sales / total revenue 28% 34% (600 bps) Mortgage rate lock commitments, fallout \$7,722 \$8,631 (\$909) (11%) Mortgage closings \$7,886 \$9,749 (\$1,863) (19%) Net gain on loan sale margin, HFS 0.77% 0.91% (14 bps) 1) Non-GAAP number. Number shown excludes non-cash charge of \$80 million, or \$1.37 per diluted share, resulting from Tax Cuts and Jobs Act. Please see reconciliation on page 39. N/M – not meaningful 17

Balance sheet composition 1Q18 average balance sheet (%) 1% Cash 19% Agency MBS ~71% of assets are in 46% Deposits excluding lower risk-content 59% 22% custodial deposits assets: cash, marketable Deposits excluding Mortgage loans securities, warehouse custodial deposits held-for-investment ("CCD") loans,

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loans held-for-sale and freshly-originated, high-FICO conforming 9% mortgages underwritten 25% Custodial deposits by Flagstar Loans held-for-sale 9% Custodial deposits 31% 5% Warehouse loans Attractive relationship FHLB borrowings lending with no loans >30 19% days delinquent and still FHLB borrowings accruing 18% Commercial loans 3% Other long-term debt 3% Other long-term debt 2% MSR 3% Other liabilities 3% Other liabilities Primarily low risk, stable 8% 8% Common equity assets (FHLB stock, BOLI, Other assets 8% Common equity premises & equipment, deferred tax asset, etc.) Assets Liabilities & Equity
Pro forma Liabilities & Equity Note: Pro forma liabilities and equity reflect the pending acquisition of 52 Wells Fargo branches. 18

Average balance sheet highlights 1Q18 (\$mm) Observations Interest-earning assets Average Balance Sheet Incr (Decr)(1) • Average loans held-for-investment increased \$192mm, \$ % or 3% Loans held-for-sale \$4,231 (\$306) (7%) - Higher consumer, CRE and C&I loans offset decline in Consumer loans(2) 3,468 214

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7% loans HFS and warehouse loans from seasonal drop in mortgage closings Commercial loans(2) 4,019 (22) (1%) - Acquisitions late in quarter to provide immediate NII Total loans held-for-investment 7,487 192 3% growth Other earning assets(3) 3,636 89 3% Interest-earning assets \$15,354 (\$25) (0%) Interest-bearing liabilities Other assets 1,736 (36) (2%) • Average deposits increased \$287mm, or 3% Total assets \$17,090 (\$61) (0%) • Government deposits rose \$151mm, or 15% Deposits \$9,371 \$287 3% • Retail deposits grew \$109mm, or 2%, with mix shift from Short-term FHLB advances & other 4,032 (297) (7%) retail savings to retail CDs Long-term FHLB advances 1,290 (11) (1%) - Deposit costs well managed despite slight duration Other long-term debt 494 - 0% extension from higher CD mix Other liabilities 489 43 10% Total liabilities \$15,676 \$22 0% Equity(4) Stockholders' equity 1,414 (83) (6%) Total liabilities and stockholders' equity \$17,090 (\$61) (0%) • Tangible common equity to asset ratio of 7.7% • FBC closing share price of \$33.61 on April 23, 2018 is Tangible book value per common share(4) \$23.62 (\$0.42) (2%) 142% of tangible book value per share Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 1) Measured vs. the prior quarter. 2) Consumer loans include first and second mortgages, HELOC and other loans; commercial loans include commercial real estate, commercial & industrial and warehouse loans. 3) Other earning assets include interest earning deposits, investment securities and loans with government guarantees. 4) Tangible book value per common share references a non-GAAP number. Please see reconciliation on page 39. 19

Higher net interest income is stabilizing earnings Sold lower performing assets and re-deployed capital into higher spread commercial loans Transition to more stable net interest income Average earning assets and net interest income Net interest income (\$mm) Average earning assets (\$bn) CAGR 19% \$15.4 \$15.4 \$14.7

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\$14.0 CAGR 19% \$12.8 \$107 \$106 \$12.3 \$12.3 \$103 \$11.9 \$11.6 \$97 \$11.2 \$10.7 \$87 \$10.4 \$83 \$79 \$80 \$9.4 \$76 \$77 \$8.7 \$73 \$73 \$65 \$61 4Q14 1Q15 2Q15
3Q15 4Q15 1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18 20

Lending Portfolio and strategy overview Total average loans (\$bn) Loans HFS Loans HFI Loans with government guarantees \$12.1 \$11.6 \$12.0 \$10.8 • Flagstar's largest category of earning assets consists \$9.2 of loans held-for-investment which averaged \$7.5bn 6.8 7.3 7.5 during 1Q18 6.2 – Loans to consumers consist of

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residential first and 5.6 second mortgage loans, HELOC and other 4.3 4.5 4.5 – C&I / CRE lending is an important growth strategy, 3.3 4.2 offering risk diversification and asset sensitivity 1Q17 2Q17 3Q17 4Q17 1Q18 – Warehouse lending to both originators that sell to Flagstar and those who sell to other investors 1Q18 average loans • Flagstar maintains a balance of mortgage loans held- 1st Mortgage for-sale which averaged \$4.2bn during 1Q18 HFI, 23% – Essentially all of our mortgage loans originated are 1st Mortgage sold into the secondary market HFS, 35% 2nds, HELOC – Flagstar has the option to direct a portion of the & other, 6% mortgage loans it originates to its own balance sheet Warehouse, 7% Loans with government guarantees, CRE and C&I, 2% 27% Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 21

Community banking Average commercial loans (\$bn) Quarter-end commercial loan commitments (\$bn) Commercial and Industrial Commercial Real Estate
Warehouse Commercial and Industrial Commercial Real Estate Warehouse \$9.1 \$4.0 \$4.0 \$3.7 \$7.6 \$3.3 0.8 \$7.2 1.0 \$6.6 \$2.8 1.0 \$6.0 4.3 0.9 2.7 2.8 0.7 2.6 2.0

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2.4 1.6 1.9 1.5 1.3 2.7 2.9 2.9 2.2 2.3 0.9 1.1 1.1 1.2 0.8 1.4 1.7 1.8 1.9 1.9 1Q17 2Q17 3Q17 4Q17 1Q18 3/31/2017 6/30/2017 9/30/2017 12/31/2017 3/31/2018
Average consumer loans (\$bn) Average deposit funding(1) (\$bn) (2) Residential First Mortgages Other Consumer Loans Retail Government Custodial deposits
\$3.5 \$9.1 \$9.4 \$3.3 \$8.8 \$8.7 \$9.0 \$3.0 \$3.1 \$2.9 0.7 1.6 1.5 0.6 1.4 1.4 1.5 0.5 1.1 0.5 0.5 1.0 0.9 0.9 1.0 2.7 2.8 2.4 2.5 2.6 6.4 6.5 6.6 6.5 6.8 1Q17 2Q17 3Q17
4Q17 1Q18 1Q17 2Q17 3Q17 4Q17 1Q18 Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 1) Includes
custodial deposits which are included as part of mortgage servicing. 2) Includes brokered certificates of deposits. 22

Commercial lending Diversified relationship-based commercial lending capabilities Overview Warehouse - \$1.4bn (3/31/18) • Warehouse lines with approximately 275 active % Advances sold to Flagstar relationships nationwide, of which approximately 85% Warehouse sell a portion of their loans to Flagstar • Collateralized

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by mortgage loans being funded which ~130 are paid off once the loan is sold borrowers sell >75% • Diversified property types which are primarily income- ~95 producing in the normal course of business borrowers Commercial ~50 sell <25% Real Estate • Focused on experienced top-tier developers with borrowers significant deposit and non-credit product opportunities sell 25% - 75% • Lines of credit and term loans for working capital Commercial needs, equipment purchases, and expansion projects & Industrial • Primarily Michigan based relationships or relationships with national finance companies Average 32% advances sold to Flagstar Commercial Real Estate - \$2.0bn (3/31/18) Commercial & Industrial - \$1.2bn (3/31/18) Property type Industry Retail Office Industrial Manufacturing Healthcare 15% 10% 11% 16% 9% Services Hospitality Distribution Multi- 26% 6% 8% family 20% Home Financial, Other Government & builder insurance & 11% education finance real estate 6% 27% 33% Other 2% 17% owner occupied 44% Michigan relationships; 20% National finance; 9% Home builder finance Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 23

Warehouse lending National relationship-based lending platform Attractive asset class with good spreads and low credit risk Strong growth potential and scalable platform Flagstar is well positioned to gain market share, leveraging relationships in complementary lines of business, including home builder finance

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and mortgage originations Warehouse lenders ranked by commitments (\$mm) FBC warehouse loan commitments (\$mm) YOY 4Q17 Outstandings Unfunded Commitments Rank Institution Growth Total Share \$4.3 1 JPMorgan Chase 33% \$12,000 18% 2 Wells Fargo 2% 5,900 9% 3 Texas Capital 18% 5,308 8% (1) \$2.8 4 Flagstar Bancorp -9% 5,018 7% \$2.6 \$2.7 2.9 \$2.4 5 BB&T 5% 3,770 6% 6 TIAA FSB (Everbank) -10% 3,700 6% 1.7 1.2 1.4 1.5 7 Comerica -19% 3,536 5% 8 Customers Bank 1% 3,475 5% 1.4 9 First Tennessee -4% 3,130 5% 1.2 1.2 1.2 1.1 10 U.S. Bancorp 5% 2,638 4% Top 10 5% \$48,475 72% 3/31/17 6/30/17 9/30/17 12/31/2017 3/31/2018 1) Proforma - includes Santander warehouse commitments which were acquired 3/12/2018. Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches Source: Inside Mortgage Finance as of March 2, 2018. 24

Home builder finance Overview Tightening housing supply(1) National relationship-based lending platform launched in 1Q16 Existing home sales (mm) Months supply of existing homes for sale (left axis) (right axis) - Attractive asset class with good spreads (~475bps) 8 12 - Meaningful cross-sell opportunities including

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warehouse loans, 7 commercial deposits and purchase originations 10 6 Flagstar is well positioned to gain market share given builder and 8 5 mortgage relationships 4 6 - Focused on markets with strong housing fundamentals and 3 higher growth potential 4 - We currently have relationships with 6 of the top 10 and 44 of 2 2 the top 100 builders nationwide 1 - We are well positioned to take advantage of supply/demand 0 0 imbalance in housing market 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 1) Source: Bloomberg (through 2/28/18) Home builder finance footprint Home builder loan commitments(2) (\$mm) Unpaid principal balance Unused \$1,421 \$1,266 \$1,178 \$978 \$567 \$765 \$768 \$559 \$484 \$403 \$619 \$699 \$656 \$494 \$365 Primary markets Secondary markets 3/31/17 6/30/17 9/30/17 12/31/2017 3/31/2018 2) Commitments are for loans classified as commercial real estate and commercial & industrial. 25

National mortgage originations distribution through multiple channels Residential mortgage originations by channel (\$bn) Correspondent Broker Retail \$7.3 \$7.0
\$7.0 \$5.8 \$4.5 \$1.4 \$1.3 \$1.2 \$1.1 \$1.3 \$1.2 \$1.0 \$0.8 \$1.0 \$0.4 1Q17 2Q17 3Q17 4Q17 1Q18 1Q17 2Q17 3Q17 4Q17 1Q18 1Q17 2Q17 3Q17 4Q17 1Q18 (1) •

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4.7% market share with #5 national ranking(1) • 2.5% market share with #8 national ranking • Retail distribution share of 12% in 1Q18 vs. 7% in 1Q17 • More than 1,000 correspondent partners in 50 • Approximately 800 brokerage relationships in states in 1Q18 • Opes acquisition (closed on May 15, 2017) and 50 states in 1Q18 organic growth has expanded our retail • Top 10 relationships account for 14% of overall footprint to 92 locations in 31 states correspondent volume • Top 10 relationships account for 15% of overall • Warehouse lines with approximately 280 brokerage volume • Direct-to-consumer is 13% of retail volume correspondent relationships 1) Data source: As reported by Inside Mortgage Finance for 1Q18 published May 25, 2018. 26

Mortgage originations Closings by purpose (\$bn) Fallout-adjusted locks (\$bn) Purchase originations Refinance originations \$9.0 \$8.9 \$8.6 \$9.7 \$9.2 \$9.6 \$7.7
\$7.9 \$6.0 3.7 4.1 4.4 \$5.9 3.4 2.8 5.5 5.5 5.3 4.5 3.1 1Q17 2Q17 3Q17 4Q17 1Q18 1Q17 2Q17 3Q17 4Q17 1Q18 Purchase 54% 58% 55% 54% 59% Mix %

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Closings by mortgage type (\$bn) Net gain on loan sales – revenue and margin Conventional Government Jumbo Gain on loan sale Gain on sale margin (HFS) \$9.6
\$9.7 \$79 \$9.2 \$75 2.5 \$7.9 \$66 2.2 2.9 \$60 \$5.9 1.9 \$48 2.3 2.4 2.2 0.91% 1.2 2.1 0.84% 0.77% 1.7 0.73% 4.9 0.80% 4.6 4.5 3.9 3.0 1Q17 2Q17 3Q17 4Q17
1Q18 1Q17 2Q17 3Q17 4Q17 1Q18 27

Adjusted Real (\$) Nominal (1) (\$) (2) even at historical lows for the mortgage origination market origination lowsmortgage the for even at historical profitable be
to operations has its Flagstar restructured 2. 1. and MortMachy Mae,Freddie Fannie and forecast of a periods average blended for actual Association Bankers

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Mortgage Source: (\$) U.S. residential origination mortgage market (historical and projected volumes) Adjusted for population growth as reported by the U.S. Census Bureau (2016 = (2016 = by100). Census U.S. the Bureau as reported growth for population Adjusted (2017 = 100). Statistics by Labor of Bureau as reported inflation for historical Adjusted \$ in trillions 1.3 1.0 0.6 1991 1.3 1.9 1.6 0.9 1992 1.9 2.1 1.7 1.0 1993 2.1 1.5 1.3 0.8 1994 1.5 1.2 1.0 0.6 1995 1.2 1.4 1.2 0.8 1996 1.4 1.5 1.3 0.8 1997 1.5 2.9 2.5 1.7 1998 2.9 2.3 2.0 1.4 1999 2.3 1.8 1.6 1.1 2000 1.8 3.5 3.1 2.2 2001 3.5 4.3 3.9 2.9 2002 4.3 5.6 3.8 5.1 2003 5.6 3.9 3.6 2.8 2004 3.9 4.1 3.8 3.0 28 2005 4.1 3.5 2.7 3.3 2006 3.5 3.0 2.4 2.8 2007 3.0 1.9 1.8 1.5 e Bankers Association. Bankers gage 2008 1.9 2.4 2.0 2.3 2009 2.4 2.0 1.7 1.9 2010 2.0 1.6 1.6 1.4 2011 1.6 2.0 2.2 2.2 2012 2.2 2.0 2.0 1.8 2013 2.0 1.3 1.3 1.3 2014 1.3 1.7 1.7 1.7 2015 1.7 2.1 2.1 2.1 2016 2.1 1.8 1.8 1.8 2017 1.8 1.7 1.7 1.7 2018F 1.7 1.7 1.7 1.7 2019F 1.7

Mortgage servicing MSR portfolio at 3/31/18 Quarter-end loans serviced (000's) (Fair value of \$239mm on \$18.8bn UPB) Serviced for Others Subserviced for Others Flagstar Loans HFI By Vintage by Investor Private 470 442 2016 4% 415 32 393 402 29 4% 31 GNM 34 31 2017 A 69% 46% 310 361 242 297 305

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Freddie 25% 2018 Fannie 117 19% 2015 25% 66 87 103 77 & prior 3/31/2017 6/30/2017 9/30/2017 12/31/2017 3/31/2018 8% Average custodial deposits (\$bn)
MSR / regulatory capital (Bancorp) MSR to Tier 1 Common MSR to Tier 1 Capital \$1.6 \$1.5 \$1.5 \$1.4 \$1.4 28% 24% 20% 19% 23% 15% 21% 17% 16% 13%
1Q17 2Q17 3Q17 4Q17 1Q18 3/31/2017 6/30/17 9/30/17 12/31/17 3/31/2018 29

Asset quality Performing TDRs and NPLs (\$mm) Net charge-offs (\$mm) Performing TDRs NPLs \$4 \$77 \$78 \$76 \$76 \$72 28 29 \$2 \$2 30 31 29 \$1 48 46 46 43 49
\$0 3/31/2017 6/30/2017 9/30/2017 12/31/2017 3/31/2018 1Q17 2Q17 3Q17 4Q17 1Q18 Allowance coverage(1) (% of loans HFI) Representation & warranty

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reserve (\$mm) Total Consumer Commercial Reserve Repurchase pipeline \$23 2.9% \$20 2.5% \$16 2.4% 2.3% \$15 2.1% 2.0% 2.0% \$13 2.0% 1.8% 1.9% 1.7%
1.7% \$6 \$6 1.7% 1.6% \$5 1.5% \$4 \$3 3/31/2017 6/30/2017 9/30/2017 12/31/2017 3/31/2018 3/31/2017 6/30/2017 9/30/2017 12/31/2017 3/31/2018 1) Excludes
loans carried under the fair value option and loans with government guarantees. 30

Deposits Portfolio and strategy overview Total average deposits (\$bn) (2) Retail deposits Other deposits \$9.4 \$8.8 \$8.7 \$9.0 \$9.1 2.6 • Flagstar gathers deposits from consumers, 2.4 2.2 2.5 2.6 businesses and select governmental entities – Traditionally, CDs and savings accounts 6.4 6.5 6.5 6.8 represented the bulk of

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our branch-based retail depository relationships – Today, we are focused on growing DDA 1Q17 2Q17 3Q17 4Q17 1Q18 balances with consumer, business banking and 1Q18 total average deposits commercial relationships Government, DDA, – We additionally maintain depository 12% 14% relationships in connection with our mortgage Custodial, origination and servicing businesses, and with 16% Michigan governmental entities 72% retail – Cost of total deposits equal to 0.73%(1) CD(2), 19% Savings, 37% MMDA, 2% Total : \$9.4bn 0.73% cost of total deposits(1) Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 1) Total deposits include noninterest bearing deposits. 2) Includes brokered CDs 3)

Improved deposit mix – Pro Forma for Pending Branch Acquisition Pro forma total deposits (\$mm) Interest-bearing Interest-bearing demand demand 8% 12%
Interest-bearing demand Noninterest- Savings / 25% Savings / Noninterest- Savings / bearing MMDA MMDA bearing MMDA 24% 45% 49% 23% 45%

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Noninterest-bearing Certificates 20% Certificates of deposit of deposit 23% 20% Certificates of deposit 6% Flagstar(1) Wells Fargo(2) Pro forma \$ bps \$ bps \$ bps Noninterest-bearing(3) \$2,213 0.00% \$454 0.00% \$2,667 0.00% Interest-bearing demand 789 0.35% 565 0.03% 1,354 0.22% Savings / MMDA 4,178 0.83% 1,134 0.04% 5,312 0.66% Certificates of deposit(4) 2,191 1.44% 128 0.26% 2,319 1.37% (5) Total deposits \$9,371 0.73% \$2,280 0.04% \$11,651 0.60% (1) Average balances for the quarter ended March 31, 2018. (2) Acquired branch data as of December 31, 2017. (3) Includes noninterest-bearing custodial deposits from mortgage servicing business. (4) Includes wholesale deposits. (5) Full impact of Desert Community Bank branch acquisition would reduce total pro forma deposit cost by 2 bps to 0.58%. 32

Deposit growth opportunities Core Deposits Other Deposits Retail Government • Average balance of \$6.3bn during 1Q18 of which 60% • Average balance of \$1.1bn during 1Q18 are demand & savings accounts • Cost of total government deposits: 1.01%(2) during • Cost of total core deposits(1): 0.85%(2) during 1Q18

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1Q18 • Average core deposits of \$63mm per branch • Michigan deposits are not required to be collateralized • Flagstar's brand campaign is helping grow its core • Strong, long-term relationships across the state deposit base Commercial Custodial • Average balance of \$0.5bn during 1Q18 • Average balance of \$1.5bn during 1Q18 on 470k loans serviced and subserviced • Flagstar is focused on growing commercial deposits • Efficiently priced deposits - Increasing balances with growing lines of business, including home builder finance • Deposit balances increase along with the number of loans serviced and subserviced • Offer complete line of treasury management services Note: Not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 1) Core deposits = total deposits excluding government deposits and custodial deposits. 2) Total deposits include noninterest bearing deposits. 33

Liquidity and funding HFI loan-to-deposit ratio(1) Commentary 84% Flagstar has invested significantly in building its Community Bank, which 66% provides attractive core deposit funding for its balance sheet These retail deposits are supplemented by custodial deposits from the servicing business 1Q18 Pro Forma ³

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Much of the remainder of Flagstar's balance sheet is self- (2) Liquidity ratio funding given it is eligible collateral for FHLB advances Cash & investment securities FHLB borrowing capacity (which provides significant liquidity capacity) 35% Pro forma HFI loan-to-deposit 25% ratio(1) declines 18 percentage 19% points to 66 percent 8% Pro forma liquidity ratio(2) at 17% 16% March 31, 2018 increases 10 percentage points to 35 percent 3/31/18 Pro Forma³ 1) HFI loan-to-deposit ratio is total average loans HFI (excluding warehouse loans) expressed as a percentage of total average deposits (excluding custodial deposits). 2) Cash, investment securities and FHLB borrowing capacity expressed as a percentage of total assets. 3) Pro-forma as of March 31, 2018 for the pending acquisition of 52 Wells Fargo branches. 34

Capital position Flagstar Bancorp Capital Ratios Observations 1Q18 Balance sheet impact(1) Net earnings contribution Tier 1 CET-1 Tier 1 Total RBC Impact
from 2018 acquisitions Change in MSR balance Leverage to RWA to RWA to RWA 1Q18 Actual 8.7% 10.8% 12.9% 14.1% Proforma ratio under Capital

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Simplification proposal(2) 4Q17 Actual 8.5% 11.5% 13.6% 14.9% Tier 1 Leverage Total Risk Based Capital 15.2% • Tier 1 leverage ratio ended quarter at 8.7% (372bp stress buffer above “well capitalized”) 14.2% 14.9% 14.1% - Increase led by earnings retention (28bps) and MSR sales +38bps -149bps +35bps (23bps), partially offset by acquisition of DCB branches and Santander mortgage warehouse business (32bps) - Target range of 8-9% 9.2% 9.2% • Closely monitoring total risk-based capital ratio due to increase Well in risk weights and continued growth in commercial loans 8.7% Capitalized 8.5% +28bps -32bps +2bps +23bps 10.0% - Ended quarter at 14.1% (414bp stress buffer above “well capitalized”) • Capital Simplification proposal would increase Tier 1 leverage ratio ~50 bps(2) and total risk-based capital ratio by ~10 bps(2) to Well support balance sheet growth Capitalized 5.0% • Flagstar will generate capital at pre-tax rate as it utilizes its NOL- related DTAs - \$66mm of NOL-related DTAs (39bps of Tier 1 leverage) 12/31/2017 3/31/2018 12/31/2017 3/31/2018 Note: Capital ratios are not pro forma for the recently announced and pending acquisition of 52 Wells Fargo branches 2) Non-GAAP number. Please see reconciliation on page 39. 1) Change from 12/31/17 to 3/31/18 includes insignificant impact resulting from 2018 phase-in under Basel III. 35

Capital build through branch acquisition close Flagstar does not anticipate needing to raise regulatory capital as a result of the branch acquisition • Potential capital addition due to the pending Basel capital simplification: - At March 31, 2018, there were \$85 million of MSRs deducted from equity to determine Tier 1 Capital.

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We expect that the “Capital Simplification” rules that have been proposed by the banking regulators will pass prior to the closing of this transaction, which will increase Flagstar’s Tier 1 capital by \$85 million. If this does not happen, we may sell MSRs to reduce the deduction from capital. • Balance sheet management: - In connection with the transaction, Flagstar has terminated certain interest rate swaps that were hedging variable rate, long-term FHLB advances. The gain from this termination, along with prior hedging results, results in a pre-tax net unrealized gain of \$29 million. Upon closing, Flagstar intends to repay the long-term FHLB advances and trigger the recognition of approximately \$28 million of this unrealized gain. • Earnings retention: - Based on First Call consensus estimates, as much as \$145 million is expected to be earned by the company through the end of the fourth quarter 2018. 36

Key investment highlights Flagstar is a national mortgage business and a market leading bank in Michigan Low-risk balance sheet with ~71% of assets in lower risk-content assets Disciplined management team with deep banking experience Diversified revenue stream with Noninterest Income / Operating Revenue of 51%

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Recently announced and pending accretive acquisition of \$2.3 billion in deposits at a cost of 0.04% Source: S&P Global Market Intelligence 37

Non-GAAP reconciliation \$mm 3 Months Ended Adjusted Net Income and Diluted Earnings per Share 12/31/2017 Net Income \$ (45) Adjustment to remove tax reform charge (1) 80 Adjusted Net Income \$ 35 Weighted average diluted common shares 58,311,881 Adjusted Diluted Earnings per Share \$ 0.60 Tangible Book

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Value per Share as of 3/31/2018 as of 12/31/2017 Total stockholders' equity \$ 1,427 \$ 1,399 Goodwill and intangible assets 72 21 Tangible book value \$ 1,355 \$ 1,378 Number of common shares outstanding 57,399,993 57,321,228 Tangible book value per share \$ 23.62 \$ 24.04 Tier 1 Leverage (to Adjusted Tangible Total Risk-Based Capital March 31, 2018 Assets) (to Risk Weighted Assets) Regulatory capital - Basel III to capital simplification Basel III \$ 1,475 \$ 1,61 Net change in deductions to DTAs, MSRs and other capital components 86 8 Basel III with capital simplification \$ 1,561 \$ 1,70 Risk-weighted assets - Basel III to capital simplification Basel III assets \$ 16,918 \$ 11,44 Net change in assets 85 52 Basel III with capital simplification \$ 17,003 \$ 11,96 Capital ratios Basel III (transitional) 8.7% 14.1% Basel III with capital simplification 9.2% 14.2% 1) Reflects the 4Q17 non-cash charge resulting from Tax Cuts and Jobs Act. 39

Historical Income Statement (Dollar Values in Millions, Except Per Share Amounts) For the Quarter For the Year Ended, Ended, 2014 2015 2016 2017 2018 FQ1
Interest Income Loans \$246 \$295 \$348 \$446 \$130 Investment securities 39 59 68 80 22 Interest-earning deposits and other 1 1 1 -- Total interest income \$286

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\$355	\$417	\$527	\$152	Interest Expense Deposits	30	42	46	52	17	Short-term Federal Home Loan Bank advances --	1	5	36	15	Long-term Federal Home Loan Bank	
				advances	2	18	27	24	7	Other long-term debt	7	7	16	25	7	
				Total interest expense	\$39	\$68	\$94	\$137	\$46	Net interest income	\$247	\$287	\$323	\$390	\$106	
				Provision for loan losses	132	(19)	(8)	6	--	Net interest income after provision for loan losses	\$115	\$306	\$331	\$384	\$106	
				Noninterest Income	316	268	60	Loan fees and charges	73	67	76	82	20	Deposit fees and charges	22	
				Net gain on loan sales	206	288	316	268	60	Loan administration income	24	26	18	21	5	
				Net return on mortgage servicing rights	24	28	(26)	22	4	Net (loss) gain on sale of assets	12	--	--	--	--	
				Representation and warranty benefit	(10)	19	19	13	2	Other noninterest income	21	17	62	46	15	
				Total noninterest income	\$372	\$470	\$487	\$470	\$111	Noninterest Expense	233	237	269	299	80	
				Commissions	35	39	55	72	18	Occupancy and equipment	80	81	85	103	30	
				Asset resolution	57	--	--	--	--	Loan processing expense	37	52	55	57	14	
				Legal and professional expense	51	36	29	30	6	Other noninterest expense	97	91	67	82	25	
				Total noninterest expense	\$590	\$536	\$560	\$643	\$173	Income before income taxes	(\$103)	\$240	\$258	\$211	\$44	
				Provision for income taxes	(34)	82	87	148	9	Net income	(\$69)	\$158	\$171	\$63	\$35	
				Preferred stock dividend/accretion	(1)	--	--	--	--	Net income (loss) from continuing operations	(70)	--	--	--	--	
				Net income per share	Basic (actual)	(\$1.72)	\$2.27	\$2.71	\$1.11	\$0.61	Diluted (actual)	(\$1.72)	\$2.24	\$2.66	\$1.09	
				\$0.60	Weighted average shares outstanding	Basic (actual)	56,246,528	56,426,977	56,569,307	57,093,868	57,356,654	Diluted (actual)	56,246,528	57,164,523	57,597,667	
				58,178,343	58,314,385	40										

Historical Balance Sheet (Dollar Values in Millions, Except Per Share Amounts) For the Quarter For the Year Ended, Ended, 2014 2015 2016 2017 2018 FQ1
Assets Cash \$47 \$54 \$84 \$122 \$121 Interest-earning deposits 89 154 74 82 122 Total cash and cash equivalents 136 208 158 204 243 Investment securities

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available-for-sale 1,672 1,294 1,480 1,853 1,918 Investment securities held-to-maturity -- 1,268 1,093 939 771 Loans held-for-sale 1,244 2,576 3,177 4,321 4,743
 Loans held-for-investment 4,448 6,352 6,065 7,713 8,134 Loans with government guarantees 1,128 485 365 271 286 Less - allowance for loan losses (297) (187)
 (142) (140) (139) Total loans held-for-investment and loans with government 5,279 6,650 6,288 7,844 8,281 guarantees, net Mortgage servicing rights 258 296
 335 291 239 Net deferred tax asset 442 364 286 136 130 Federal Home Loan Bank stock 155 170 180 303 303 Premises and equipment, net 238 250 275 330 348
 Goodwill and intangible assets -- -- -- 21 72 Other assets 416 639 781 670 688 Total assets \$9,840 \$13,715 \$14,053 \$16,912 \$17,736 Liabilities and Stockholders'
 Equity Noninterest bearing deposits 1,209 1,574 2,077 2,049 2,391 Interest bearing deposits 5,860 6,361 6,723 6,885 7,595 Total deposits 7,069 7,935 8,800 8,934
 9,986 Short-term Federal Home Loan Bank advances -- 2,116 1,780 4,260 4,153 Long-term Federal Home Loan Bank advances -- 1,425 1,200 1,405 1,280
 Federal Home Loan Bank advances (includes both long-term and 514 -- -- -- -- short-term) Other long-term debt 331 247 493 494 494 Representation and
 warranty reserve 53 40 27 15 13 Other liabilities 500 423 417 405 383 Total liabilities \$8,467 \$12,186 \$12,717 \$15,513 \$16,309 Stockholders' Equity Preferred
 stock 267 267 -- -- -- Common stock 1 1 1 1 1 Additional paid in capital 1,482 1,486 1,503 1,512 1,514 Accumulated other comprehensive loss 8 2 (7) (16) (30)
 Accumulated deficit (385) (227) (161) (98) (58) Total stockholders' equity \$1,373 \$1,529 \$1,336 \$1,399 \$1,427 Total liabilities and stockholders' equity \$9,840
 \$13,715 \$14,053 \$16,912 \$17,736 41
