

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
  
FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): July 25, 2025

<u>FLAGSTAR FINANCIAL, INC.</u> <small>(Exact Name of Registrant as Specified in Charter)</small>		
<u>Delaware</u> <small>(State or Other Jurisdiction of Incorporation)</small>	<u>1-31565</u> <small>Commission File Number</small>	<u>06-1377322</u> <small>(IRS Employer Identification No.)</small>
<u>102 Duffy Avenue, Hicksville, New York 11801</u> <small>(Address of principal executive offices)</small>		
<u>(516) 683-4100</u> <small>(Registrant's telephone number, including area code)</small>		

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value per share	FLG	New York Stock Exchange
Bifurcated Option Note Unit Securities SM	FLG PRU	New York Stock Exchange
Depository Shares each representing a 1/40th interest in a share of Fixed-to-Floating Rate Series A Noncumulative Perpetual Preferred Stock	FLG PRA	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Exchange Act (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 7.01**                      **Regulation FD Disclosures**

Beginning on July 25, 2025, Flagstar Financial, Inc. (the “Company”) intends to distribute and make available to investors, and to post on its website, the written presentation attached hereto as Exhibit 99.1.

**Item 9.01**                      **Financial Statements and Exhibits**

(d) Attached as Exhibit 99.1 is the text of a written presentation that the Company intends to distribute and make available to investors, and to post on its website, beginning on July 25, 2025.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
99.1	<a href="#"><u>Written presentation to be distributed and made available to investors, and posted on the Company's website, beginning July 25, 2025</u></a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: July 25, 2025

FLAGSTAR FINANCIAL, INC.

*/s/ Salvatore DiMartino*

Salvatore DiMartino

Executive Vice President and Director of Investor Relations



**Second Quarter 2025 Results**

**July 25, 2025**



# Cautionary Statement



## Forward-Looking Information

This presentation and the associated conference call may include forward-looking statements by the Company and our authorized officers pertaining to such matters as our goals, beliefs, intentions, and expectations regarding, among other things: (a) revenues, earnings, loan production, asset quality, liquidity position, capital levels, risk analysis, divestitures, acquisitions, and other material transactions, among other matters; (b) the future costs and benefits of the actions we may take; (c) our assessments of credit risk and probable losses on loans and associated allowances and reserves; (d) our assessments of interest rate and other market risks; (e) our ability to achieve profitability goals within projected timeframes and to execute on our strategic plan, including the sufficiency of our internal resources, procedures and systems; (f) our ability to attract, incentivize, and retain key personnel and the roles of key personnel; (g) our ability to achieve our financial and other strategic goals, including those related to the Reorganization, our merger with Flagstar Bancorp, Inc., which was completed in December 2022, our acquisition of substantial portions of the former Signature Bank through an FDIC-assisted transaction, which was completed in March 2023, and our ability to fully and timely implement and maintain the risk management programs institutions greater than \$100 billion in assets must maintain for so long as we are subject to such requirements; (h) the impact of the \$1.05 billion capital raise we completed in March 2024; (i) our previously disclosed material weaknesses in internal control over financial reporting; (j) the conversion or exchange of shares of the Company's preferred stock; (k) the payment of dividends on shares of the Company's capital stock, including adjustments to the amount of dividends payable on shares of the Company's preferred stock; (l) the availability of equity and dilution of existing equity holders associated with future equity awards and stock issuances; (m) the effects of the reverse stock split we effected in July 2024; (n) the impact of the recent sale of our mortgage servicing operations, third party mortgage loan origination business, and mortgage warehouse business; and (o) the impact of our recently announced proposed holding company reorganization transaction.

Forward-looking statements are typically identified by such words as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "should," "confident," and other similar words and expressions, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Additionally, forward-looking statements speak only as of the date they are made; the Company does not assume any duty, and does not undertake, to update our forward-looking statements. Furthermore, because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those anticipated in our statements, and our future performance could differ materially from our historical results.

Our forward-looking statements are subject to, among others, the following principal risks and uncertainties: general economic conditions and trends, either nationally or locally; conditions in the securities, credit and financial markets; changes in interest rates; changes in deposit flows, and in the demand for deposit, loan, and investment products and other financial services; changes in real estate values; changes in the quality or composition of our loan or investment portfolios, including associated allowances and reserves; changes in future allowance for credit losses, including changes required under relevant accounting and regulatory requirements; the ability to pay future dividends; changes in our capital management and balance sheet strategies and our ability to successfully implement such strategies; recent turnover in our Board of Directors and our executive management team; changes in our strategic plan, including changes in our internal resources, procedures and systems, and our ability to successfully implement such plan; our ability to successfully remediate our previously disclosed material weaknesses in internal control over financial reporting; changes in competitive pressures among financial institutions or from non-financial institutions; changes in legislation, regulations, and policies; the impacts of tariffs, sanctions and other trade policies of the United States and its global trading counterparts; the outcome of federal, state, and local elections and the resulting economic and other impact on the areas in which we conduct business; the imposition of restrictions on our operations by bank regulators; the outcome of pending or threatened litigation, or of investigations or any other matters before regulatory agencies, whether currently existing or commencing in the future; our ability to fully and timely implement and maintain the risk management programs institutions greater than \$100 billion in assets must maintain for so long as we are subject to such requirements; the restructuring of our mortgage business; our ability to recognize anticipated cost savings and enhanced efficiencies with respect to our balance sheet and expense reduction strategies; the impact of failures or disruptions in or breaches of the Company's operational or security systems, data or infrastructure, or those of third parties, including as a result of cyberattacks or campaigns; the impact of natural disasters, extreme weather events, civil unrest, international military conflict, terrorism or other geopolitical events; and a variety of other matters which, by their nature, are subject to significant uncertainties and/or are beyond our control. Our forward-looking statements are also subject to the following principal risks and uncertainties with respect to our merger with Flagstar Bancorp, which was completed in December 2022, and our acquisition of substantial portions of the former Signature Bank through an FDIC-assisted transaction, which was completed in March 2023: the possibility that the anticipated benefits of the transactions will not be realized when expected or at all; the possibility of increased legal and compliance costs, including with respect to any litigation or regulatory actions related to the business practices of acquired companies or the combined business; diversion of management's attention from ongoing business operations and opportunities; the possibility that the Company may be unable to achieve expected synergies and operating efficiencies in or as a result of the transactions within the expected timeframes or at all; and revenues following the transactions may be lower than expected. In addition, our forward-looking statements are subject to the following principal risks and uncertainties, among others, with respect to our recently announced proposed holding company reorganization transaction: the potential timing or consummation of the proposed transaction and receipt of regulatory approvals or determinations, or the anticipated benefits thereof, including, without limitation, future financial and operating results; risks and uncertainties related to the ability to obtain shareholder and regulatory approvals or determinations, or the possibility that such approvals or determinations may be delayed; the imposition by regulators of conditions or requirements that are not favorable to us; our ability to achieve anticipated benefits from the consolidation and regulatory determinations; and legislative, regulatory and economic developments that may diminish or eliminate the anticipated benefits of the consolidation.

More information regarding some of these factors is provided in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2024, and in other SEC reports we file. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss in this news release, on our conference call, during investor presentations, or in our SEC filings, which are accessible on our website and at the SEC's website, [www.sec.gov](http://www.sec.gov).

# Flagstar Intends to Eliminate Bank Holding Company



## Current Structure

**Flagstar Financial, Inc.  
(Bank Holding Company)**

**Flagstar Bank, N.A.**

## New Structure

**Flagstar Bank, N.A.**

## Benefits

- Continuation of simplification efforts further driving efficiencies
  - Streamline managerial, operational, and administrative functions throughout the Bank
  - Simplify organizational structure
  - Eliminate redundant corporate activities
- Reduction in duplicative supervision and regulation
- Estimated annual cost savings of ~\$15 million

## Next Steps

- August 2025 – issue preliminary proxy with target date for shareholder meeting in October 2025
- October 2025 – shareholder meeting
- Fourth Quarter 2025 – Merger expected to be completed, subject to receipt of shareholder and OCC approval

Note: See cautionary statements on page 2



## Management Focus Areas in 2025

1	2	3	4
<b>Improve Earnings Profile</b>	<b>Execute on C&amp;I and Private Bank Growth Initiatives</b>	<b>Proactive Management of CRE Portfolio</b>	<b>Credit Improvement</b>
<ul style="list-style-type: none"><li>▪ NIM expansion; reduce funding costs</li><li>▪ Consistent fee income</li><li>▪ Continue to reduce operating expenses<sup>(1)</sup>, through operational efficiencies</li></ul>	<ul style="list-style-type: none"><li>▪ Grow primary bank relationships</li><li>▪ Deploy expanded product offerings and capabilities into middle market, corporate, and specialized industry verticals</li><li>▪ Continuing to add additional talent</li><li>▪ 12 industry verticals successfully launched and delivering value</li></ul>	<ul style="list-style-type: none"><li>▪ Continue reduction in CRE concentration</li><li>▪ Record CRE par payoffs</li><li>▪ Reduce criticized loans through payoffs, amortization, and loan sales</li></ul>	<ul style="list-style-type: none"><li>▪ Lower provision for credit losses</li><li>▪ Slowdown of new problem loan formation</li></ul>

Note: See cautionary statements on page 2

Note 1: Excludes impact from intangible asset amortization and merger-related expenses





## Commercial Loans & Deposits

- 2Q'25 new credit commitments up 80% to \$1.9 billion
- 2Q'25 new loan originations up 57% to \$1.2 billion
- Growth driven by our two areas of focus: Specialized Industries and Corporate & Regional Commercial Banking
  - Specialized Industries loan originations of \$624 million, up 91%
  - Corporate/Regional Banking loan originations of \$186 million, up over 50%
  - Pipeline currently at \$1.2 billion in commitments, up 40% compared to 3/31/25
- Added 36 new Commercial/Corporate/Specialized Industries relationships during Q2'25
- Total Private Bank deposits of \$17.7 billion, up \$2.0 billion since March 31, 2024 | WAC 2.24%
- Total Commercial deposits of \$4.0 billion | WAC 2.24%
- Meaningful opportunity to add commercial deposits as high-quality customer relationships are onboarded

## Two-pronged Strategy

- Specialized Industries - national model focused on serving the unique needs of specific industries, with fast decisioning and senior bankers possessing deep industry expertise as competitive differentiators
  - Focus Industries: sponsor finance, subscription finance, oil & gas, power & renewables, entertainment, sports, technology, media and communications, healthcare, insurance, lender finance, franchise finance
- Regional Commercial & Corporate Banking – building out a relationship based national corporate banking effort and a robust middle market commercial banking franchise in all four of Flagstar's key geographies, with a focus on companies with revenues of \$50MM to \$5B
- Further strengthening our commercial products and services capabilities with key new hires, including in treasury management, payments, wealth management, 401(k) plan advisory, FX, interest rate hedging, loan syndications and capital markets execution

## Addition of Seasoned Commercial Bankers

- Strong hiring continues across all lines of business and functions
  - Added **more than 100 new hires** across commercial banking business and functions since June 2024
  - Plan to add up to an additional 50 commercial bankers the remainder of 2025
- Hiring seasoned, mid-career bankers from other regional and large banks with a proven track record of successfully building a C&I business



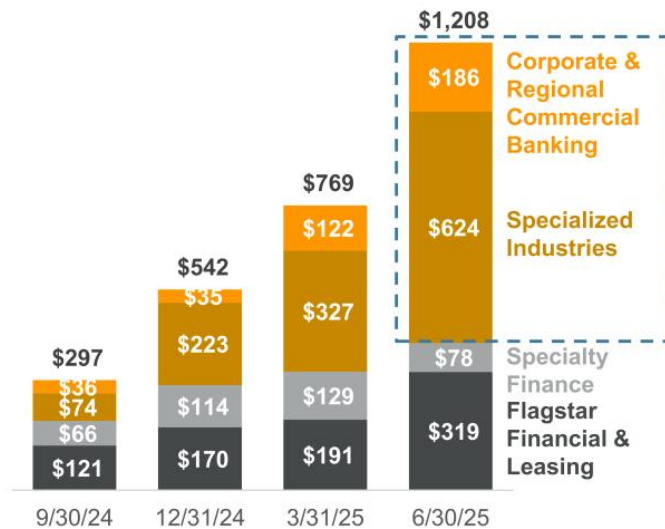
# Commercial Banking Overview | Momentum in Focus Areas



## New and Increased C&I Loan Originations

\$ in millions

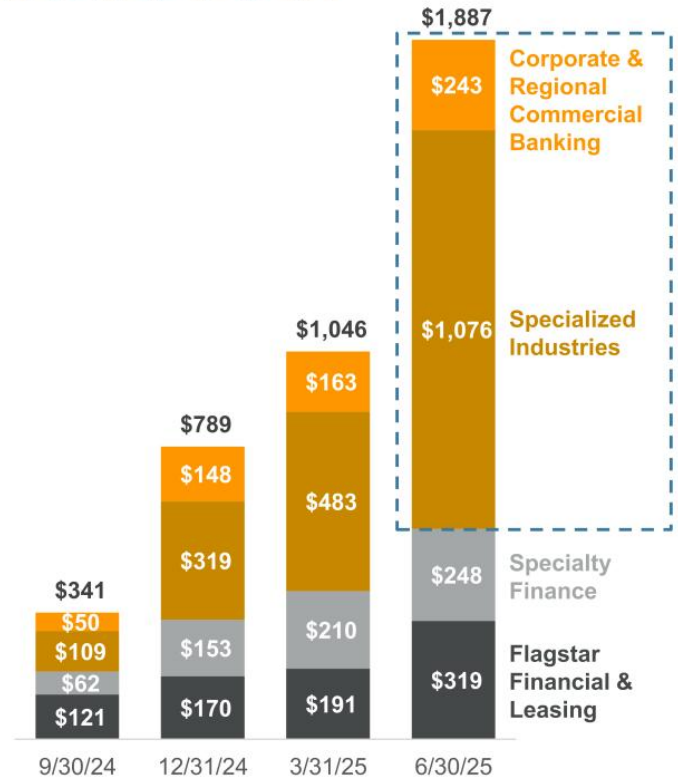
Strategic focus areas up  
\$362 million, or 81% QoQ



## New and Increased C&I Loan Commitments

\$ in millions

Strategic focus areas up  
\$674 million, or 104% QoQ

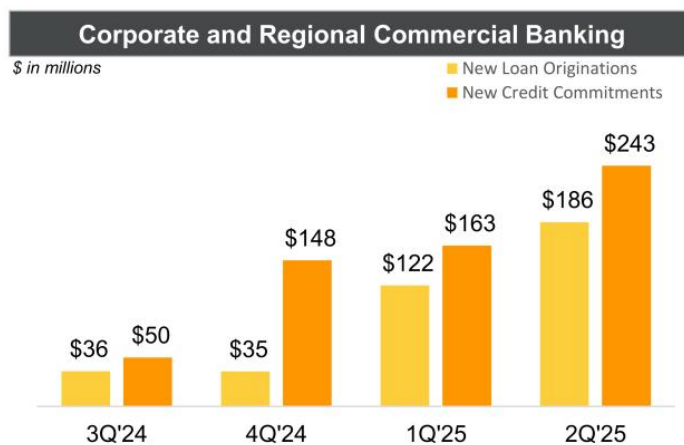
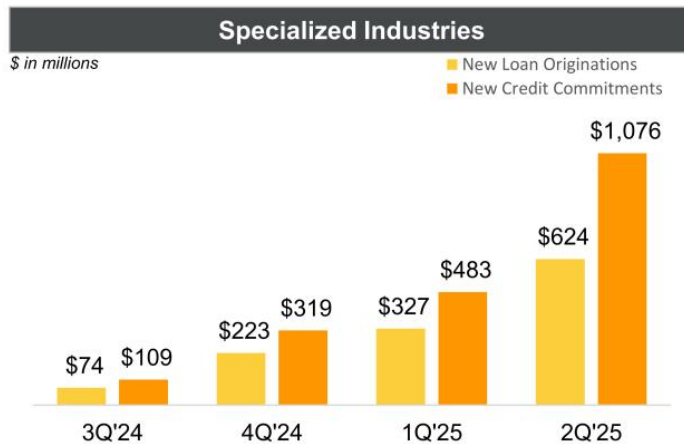


# Commercial Banking Overview | Momentum in Focus Areas



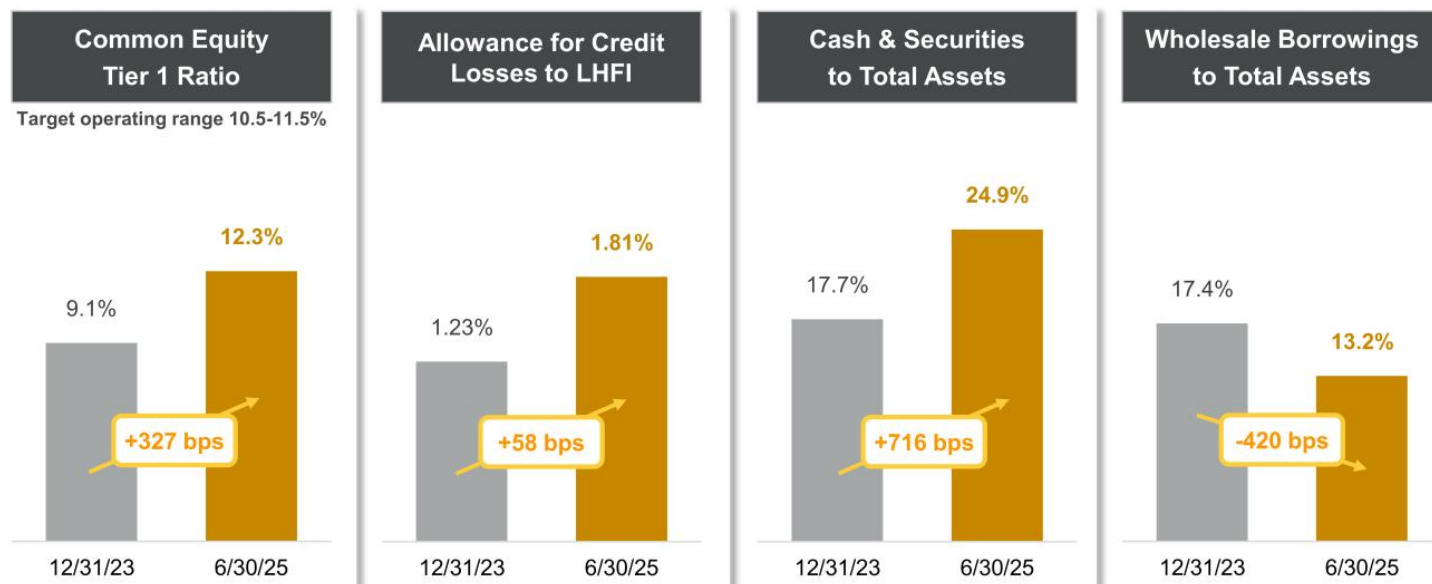
C&I Loans HFI at 6/30/2025					
(\$ in millions)	6/30/25	Change QoQ (\$)	Change QoQ (%)	Change YTD (\$)	Change YTD (%)
Specialized Industries & Corporate/Regional Commercial Bkg	\$4,034	\$422	11.7%	\$570	16.5%
Specialty Finance	\$3,557	(\$128)	(3.5%)	(\$307)	(8.0%)
Flagstar Financial & Leasing	\$3,822	(\$146)	(3.7%)	(\$363)	(8.7%)
Flagstar Public Funding	\$975	\$30	3.2%	\$2	0.2%
MSR Lending	\$1,109	(\$309)	(21.8%)	(\$638)	(36.5%)
Other	\$928	(\$185)	(16.6%)	(\$215)	(18.8%)
<b>Total C&amp;I</b>	<b>\$14,426</b>	<b>(\$316)</b>	<b>(2.1%)</b>	<b>(\$950)</b>	<b>(6.2%)</b>

Corporate & Regional Commercial Banking and Specialized Industries end of period loans at 6/30/25 **increased \$422 million**, up **11.7%** vs. the prior quarter





## Key Balance Sheet Metrics Improved Since Beginning of 2024



**Disciplined execution of strategic plan has solidified the balance sheet and positioned the bank well as focus shifts to driving further diversification and scaling of growth-oriented business lines**

## Quarterly Performance



	QUARTERLY PERFORMANCE		
	Reported 2Q 2025	Notable Items	Adjusted 2Q 2025
Net interest income	\$419	\$ -	\$419
Non-interest income	77	-	77
Total revenue	\$496	\$ -	\$496
Total non-interest expense	513	(25)	488
Pre-provision net (loss) revenue	\$(17)	\$25	\$9
Provision for credit losses	64	-	64
Pre-tax income	\$(81)	\$25	\$(56)
Income tax (benefit) expense	(11)	7	(4)
Net (loss) income	\$(70)	\$18	\$(52)
<b>Net (loss) income attributable to common stockholders</b>	<b>\$(78)</b>	<b>\$18</b>	<b>\$(60)</b>
<b>Diluted (loss) earnings per common share</b>	<b>\$(0.19)</b>	<b>\$0.05</b>	<b>\$(0.14)</b>

### Notable Items 2Q'25

- **Noninterest expense** - \$5 million from severance and trailing costs from sale of mortgage servicing and TPO business, \$7 million accelerated lease costs due to branch closures, and \$14 million in merger-related expenses

Note: \$ in millions except share data. Please note that columns of data may not add due to rounding.

## Forecast Update



(\$ in millions, except per share data)	2025	2026	2027
<b>Net Interest Income</b>	<b>\$1,700 – \$1,750</b>	<b>\$2,250 – \$2,300</b>	<b>\$2,900 – \$3,000</b>
<b>Net Interest Margin</b>	<b>1.85 – 1.95%</b>	<b>2.40 – 2.60%</b>	<b>2.80 – 2.90%</b>
<b>Provision for Loan Losses</b>	<b>\$225 – \$275</b>	<b>\$200 – \$250</b>	<b>\$150 – \$200</b>
<b>Noninterest Income</b>	<b>\$320 – \$360</b>	<b>\$325 – \$365</b>	<b>\$410 – \$450</b>
<b>Adjusted Operating Expense<sup>(2)</sup></b>	<b>\$1,825 – \$1,875</b>	<b>\$1,750 – \$1,800</b>	<b>\$1,650 – \$1,700</b>
<b>Tax Rate</b>	<b>~8%</b>	<b>~30%</b>	<b>~29%</b>

	2025	2026	2027
<b>Diluted Adjusted EPS<sup>(1)</sup></b>	<b>(\$0.40 - \$0.35)</b>	<b>\$0.75 – \$0.80</b>	<b>\$2.10 – \$2.20</b>
<b>Efficiency Ratio<sup>(2)</sup></b>	<b>85 – 90%</b>	<b>65 – 70%</b>	<b>~50%</b>
<b>ROAA</b>	<b>NM</b>	<b>0.30 – 0.40%</b>	<b>0.90 – 1.00%</b>
<b>ROATCE</b>	<b>NM</b>	<b>4.50 – 5.00%</b>	<b>12.50 – 12.75%</b>
<b>TBV Per Share<sup>(3)</sup></b>	<b>\$17.00 – \$17.50</b>	<b>\$18.00 – \$18.50</b>	<b>\$20.75 – \$21.25</b>

### Long-Term Targets

ROAA : 1%+

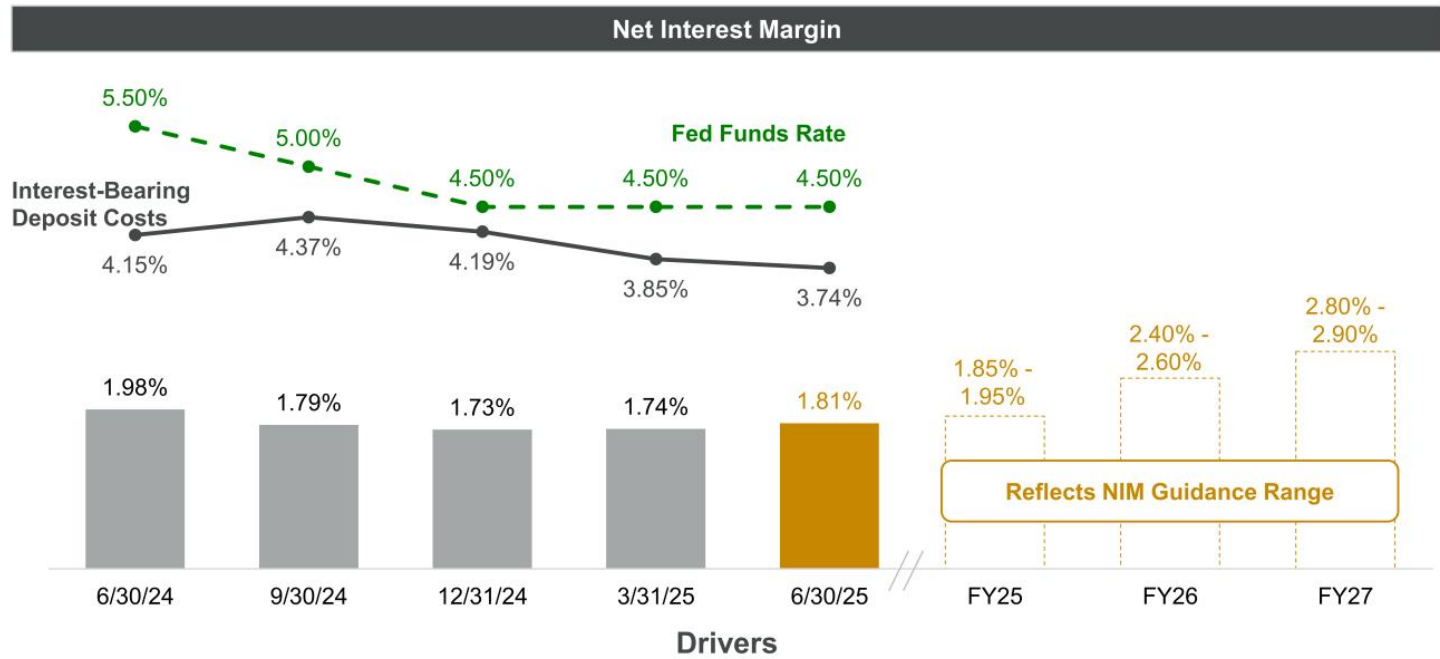
ROATCE: 11-12%

CET1 Ratio: 10.5-11.5%

note: See cautionary statements on page 4

Note 1: Excludes impact from merger-related and other expenses noted in the non-GAAP reconciliation table on page 24 | Note 2: Excludes impact from intangible asset amortization, merger-related expenses, and other adjustments noted in the non-GAAP reconciliation table on page 24 | Note 3: Excludes warrants

# Net Interest Margin | Proactively Managing Higher



**Net interest margin expected to modestly move higher throughout 2025**

1. Funding costs expected to decline further throughout 2025
2. Multi-family loans resetting higher 300 to 350 bps
3. Growing higher yielding commercial loans
4. Reduction in non-accrual loans

Note: See cautionary statements on page 2

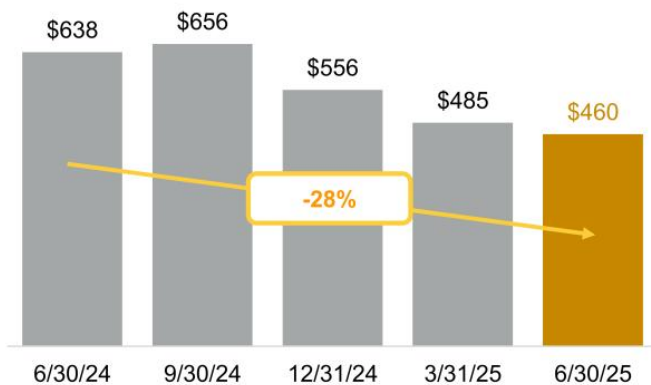


# Noninterest Expense | Disciplined Management



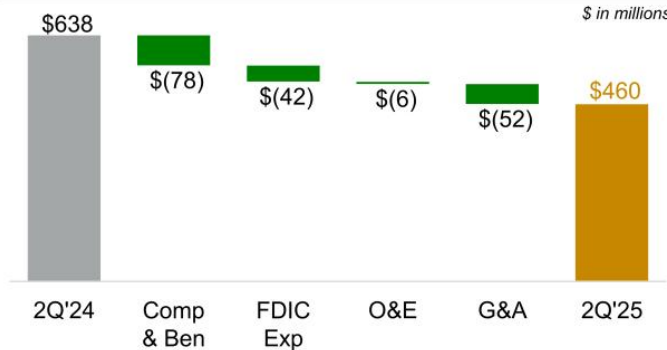
## Adjusted Operating Expenses<sup>(1)</sup>

\$ in millions



## Adjusted Operating Expenses Linked Year<sup>(1)</sup>

\$ in millions



## Highlights

- **Linked Year:** adjusted operating expenses decreased \$178 million, or 28%
- **Linked Quarter:** adjusted operating expenses decreased \$25 million, or 5%
- Reduction in operating expenses reflects management's commitment to improve efficiency driven by the impact from strategic initiatives to lower compensation and benefits, vendor spend, real estate optimization, outsourcing and offshoring of certain functions, and FDIC expense
- Annualized 2Q'25 adjusted operating expense is \$1,840 million
- Adjusted operating expenses expected to be ~\$450 million per quarter in 3Q'25 and 4Q'25

## Adjusted Operating Expenses Linked Quarter<sup>(1)</sup>

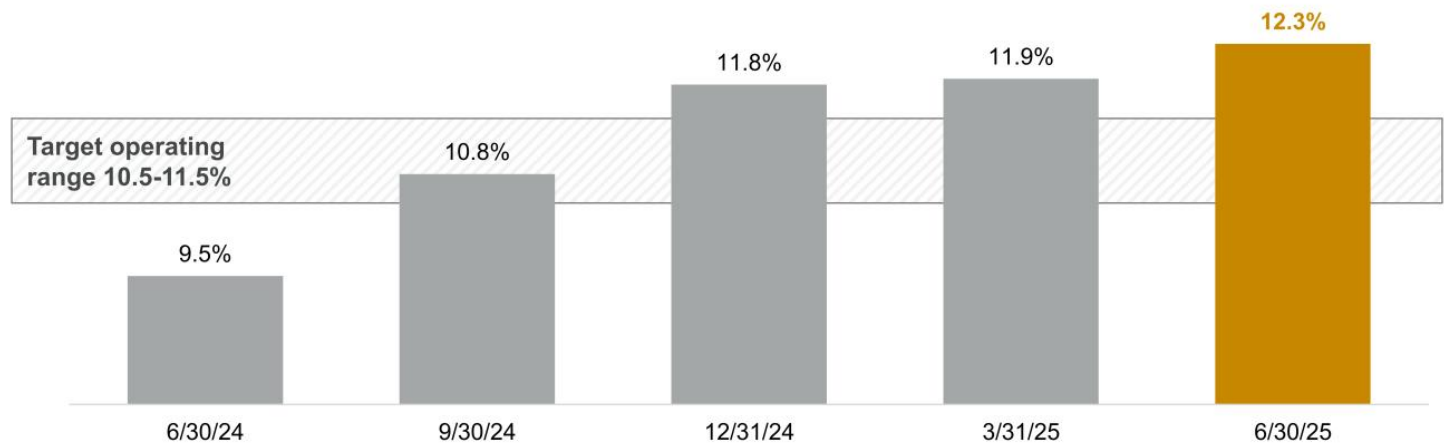
\$ in millions



Note 1: See the reconciliations of these non-GAAP measures with the comparable GAAP measures on page 24



### CET1 Ratio



### Highlights

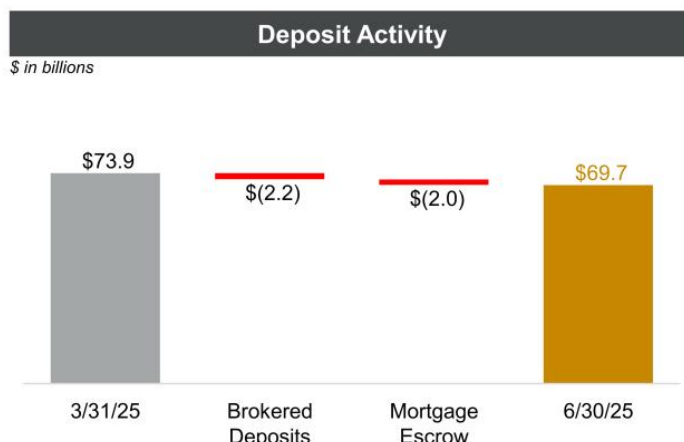
1. CET1 ratio of 12.3% is top quartile in peer group
2. Significant management action preserved and strengthened capital position
3. Capital priority in near term is to deploy capital to fund organic growth



Well Diversified Deposit Base by Product	
	Balance (\$B) 6/30/25
Noninterest-Bearing Demand	\$12.5
Interest-Bearing Demand	\$12.1
Money Markets	\$6.4
Savings	\$14.5
Retail CDs	\$18.1
Jumbo CDs	\$6.1
<b>Total Deposits</b>	<b>\$69.7</b>

Deposit Base by Business			
(\$ in billions)	6/30/25	Change QoQ (\$)	Change QoQ (%)
<b>Retail</b>	\$36.4	\$0.2	0.5%
<b>Private Bank</b>	\$17.7	(\$0.3)	(1.5%)
<b>Mortgage</b>	\$3.1	(\$1.7)	(34.7%)
<b>Treasury</b>	\$6.4	(\$2.2)	(25.3%)
<b>Commercial &amp; Premier</b>	\$6.2	(\$0.3)	(4.1%)
<b>Total Deposits</b>	<b>\$69.7</b>	<b>(\$4.2)</b>	<b>(5.6%)</b>

Note 1: Indexed to third quarter 2024 and excludes wholesale deposits

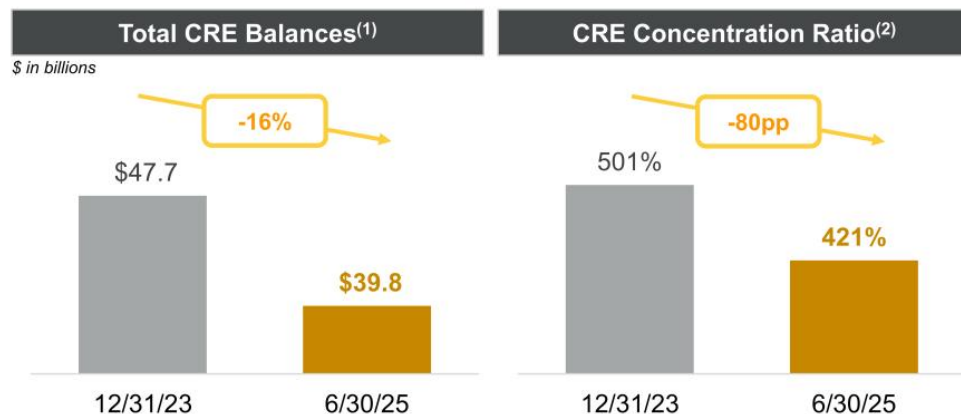


Highlights	
<ul style="list-style-type: none"> <li>Deposits decreased \$4.2 billion, or 5.6% quarter over quarter primarily driven by \$2.2 billion lower brokered deposits and \$2.0 billion lower high-cost mortgage escrow deposits</li> <li>Brokered deposits down \$4.1 billion, or 43.1% year-to-date</li> <li>Continue to manage deposit costs lower with interest-bearing deposit costs down 11 basis points compared to prior quarter</li> <li>Cycle to date interest-bearing deposit beta of 64%<sup>(1)</sup>, slightly ahead of our expectations</li> </ul>	



CRE Portfolio Payoffs at Par				
	1Q'25 Payoffs	Total Substandard (%)	2Q'25 Payoffs	Total Substandard (%)
Multi-Family	\$673 million	62%	\$1.2 billion	52%
Office	\$14 million	--%	\$44 million	5%
Non-Office CRE	\$153 million	49%	\$253 million	19%
<b>Total CRE</b>	<b>\$840 million</b>	<b>59%</b>	<b>\$1.5 billion</b>	<b>45%</b>

**Record CRE payoffs at par of \$1.5B with 45% of the payoffs from substandard loans in the second quarter**



Note 1: Total CRE excludes \$2.7 billion of owner-occupied CRE  
 Note 2: Calculated as: Total CRE balances (excluding \$2.7 billion of owner occupied CRE) / (Tier 1 Capital + Allowance for Loans & Lease Losses)

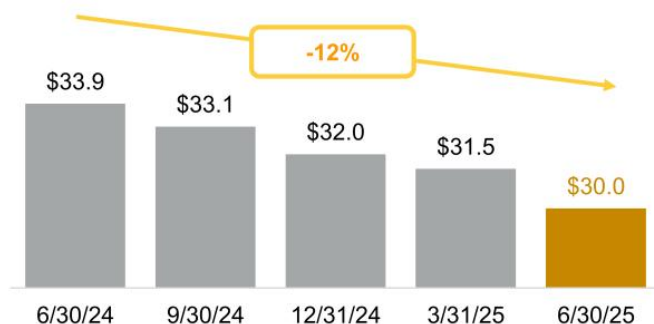
**CRE payoffs and paydowns driving significant reduction in total CRE balances and in the concentration ratio**

# Multi-Family | Portfolio Overview

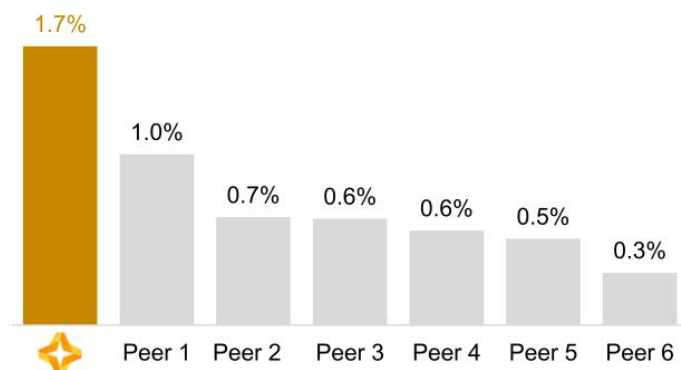


## Proactively Reducing Multi-Family (MF) Exposure<sup>(1)</sup>

\$ in billions



## Multi-Family ALLL Ratio vs Peers<sup>(2)</sup>



Note 1: Reflects Multi-family UPB excluding Co-op loans

Note 2: Northeast Multi-Family peers include banks with disclosed Multi-Family ALLL ratios: BPOP and EWBC as of 3/31/25 and BHLB, DCOM, FFIC, and FLIC as of 12/31/24

Note 3: Reflects remaining six months of 2025

Flagstar Financial, Inc.

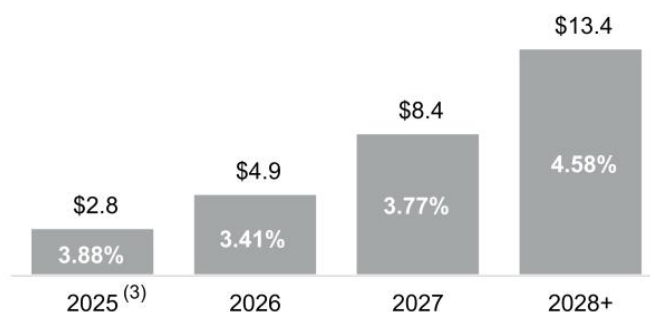
## Highlights

- Multi-Family portfolio ALLL at 1.68%, among the highest relative to peers<sup>(2)</sup> | MF ALLL reflects the mix of the company's loans including the rent-regulated loans
- MF rent regulated  $\geq$  50% ALLL at 2.88%
- Average loan size of \$8.6 million
- \$4.2 billion of MF loans reached a repricing date since the beginning of 2024. Adjusting for the impact of the one relationship moved to NAL; over 90% remain current or paid off
- Have taken \$461 million of net charge-offs since Jan. 2024

## Option/Contractual Maturity per Year (UPB)<sup>(1)</sup>

\$ in billions

% Reflects WAC





# Multi-Family | New York City (NYC) Portfolio Details



## NYC Multi-Family Portfolio (as of 6/30/2025)

\$ in millions

	Portfolio Characteristics					Loan Review		Credit Metrics		
	Book Balance	Average Balance	Occ Rate	Current LTV <sup>(1)</sup>	Amort DSCR <sup>(2)</sup>	Recent Appraisal <sup>(3)</sup>	Financials Reviewed <sup>(4)</sup>	ACL % to Loans	Recent NCOs	Nonaccrual Loans
Market & <50%	\$ 6,511	\$ 5.5	97%	51%	1.22x	40%	98%	1.32%	\$ 23	\$ 301
>=50% Rent Regulated <sup>(5)</sup>	9,915	5.8	97%	69%	1.28x	39%	97%	3.12%	344	1,974
<b>Total NYC</b>	<b>\$ 16,426</b>	<b>\$ 5.7</b>	<b>97%</b>	<b>62%</b>	<b>1.26x</b>	<b>40%</b>	<b>97%</b>	<b>2.41%</b>	<b>\$ 366</b>	<b>\$ 2,275</b>

### NYC >=50% RR

Pass Rate	\$ 5,641	\$ 6.1	98%	62%	1.45x	11%	99%	1.71%	\$ 3
Criticized + Classified <sup>(6)</sup>	4,275	5.5	97%	79%	1.06x	77%	93%	4.98%	341
<b>Total &gt;=50% RR</b>	<b>\$ 9,915</b>	<b>\$ 5.8</b>	<b>97%</b>	<b>69%</b>	<b>1.28x</b>	<b>39%</b>	<b>97%</b>	<b>3.12%</b>	<b>\$ 344</b>

### Criticized + Classified Loans <sup>(7)</sup>

\$ in millions

	NALs		Special Mention + Substandard		Total	
	\$	%	\$	%	\$	%
Balance <sup>(9)</sup>	\$ 2,284		\$ 2,332		\$ 4,615	
Less: NCOs	334	14.65%	6	0.0%	341	7.39%
Book Balance	\$ 1,949		\$ 2,325		\$ 4,275	
ACL	\$ 82	4.21%	\$ 131	5.6%	\$ 213	4.98%

### Proactive management of rent regulated portfolio <sup>(8)</sup>

- Criticized + classified **ACL coverage of 4.98%**
- \$344 million of net charge-offs since Jan. 2024
- \$955 million in payoffs last 12 months; **68% from substandard**

### Rigorous loan review performed on portfolio supports current LTVs and amortizing DSCRs

- **97%** of rent regulated loans have gone through **extensive financial review the past 18 months**
- **77%** of criticized + classified loans have had an **appraisal since 1/1/2024**

Note 1: Current LTV is calculated by dividing the most recent appraised value by the current loan amount | Note 2: Amortizing DSCR includes hypothetical amortization for deals in interest-only periods  
 Note 3: Reflects percent of appraisals received based on book balance since 1/1/2024 | Note 4: Reflects financials reviewed in last 18 months as a percent of book balance | Note 5: Reflects rent regulated percent based on units at origination  
 Note 6: Risk rated special mention or substandard | Note 7: Reflects ACL coverage ratio at 6/30/2025 and all NCOs taken on loans in the portfolio at 6/30/2025 | Note 8: Defined as >=50% units are rent regulated  
 Note 9: Sum of book balance plus net charge-offs



## Asset Quality | Allowance for Credit Loss Detail



(\$ in millions)	3/31/2025		6/30/2025		Change in ALLL %
	Allowance	ALLL %	Allowance	ALLL %	
<b>Multi-Family</b>	\$609	1.82%	\$538	1.68%	(14) bps
Multi-Family Rent Regulated >=50% (excl. Co-op)	\$361	2.82%	\$347	2.88%	6 bps
Multi-Family at Market and Rent Regulated <50% (excl. Co-op)	\$236	1.26%	\$181	1.01%	(25) bps
Co-op	\$12	0.61%	\$10	0.52%	(9) bps
<b>CRE</b>	\$247	3.02%	\$276	3.57%	56 bps
Office (ex. Owner-Occupied)	\$165	6.83%	\$161	6.85%	2 bps
Non-Office (incl. Owner-Occupied)	\$83	1.43%	\$115	2.14%	71 bps
<b>Construction &amp; Development</b>	\$34	1.20%	\$37	1.39%	19 bps
<b>C&amp;I</b>	\$175	1.15%	\$165	1.11%	(4) bps
C&I - Specialty Finance	\$42	0.53%	\$39	0.51%	(2) bps
C&I - Non-Specialty Finance (incl. Office Owner-Occupied)	\$133	1.81%	\$126	1.74%	(8) bps
<b>1-4 Family</b>	\$37	0.71%	\$37	0.63%	(8) bps
<b>Home Equity</b>	\$62	4.12%	\$50	3.37%	(75) bps
<b>Consumer and Other</b>	\$4	1.88%	\$7	3.52%	164 bps
<b>Total Loans HFI and Allowance for Loan Losses</b>	<b>\$1,168</b>	<b>1.75%</b>	<b>\$1,106</b>	<b>1.72%</b>	<b>(3) bps</b>
<b>Unfunded Commitment Reserve</b>	<b>\$47</b>		<b>\$56</b>		
<b>Total Allowance for Credit Losses</b>	<b>\$1,215</b>	<b>1.82%</b>	<b>\$1,162</b>	<b>1.81%</b>	<b>(1) bps</b>



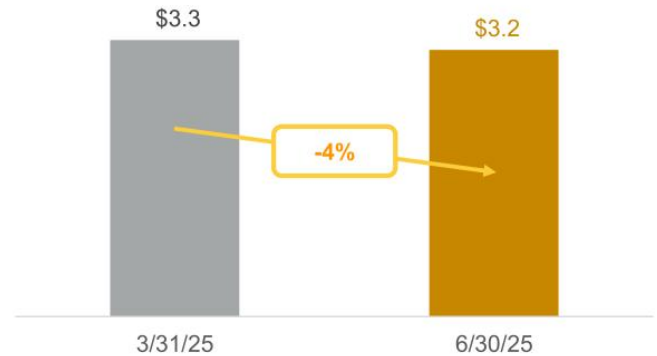
## Criticized + Classified Loans<sup>(1)</sup>

\$ in billions

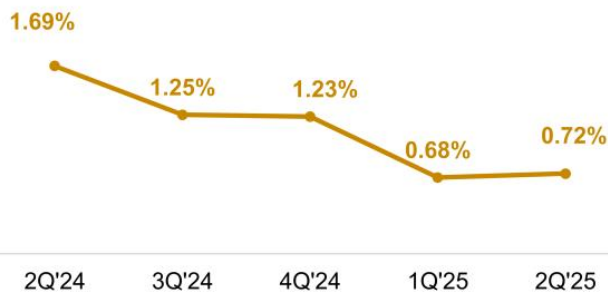


## Total Non-accrual Loans (including LHFS)

\$ in billions



## Net Charge-offs to Average Loans<sup>(2)</sup>



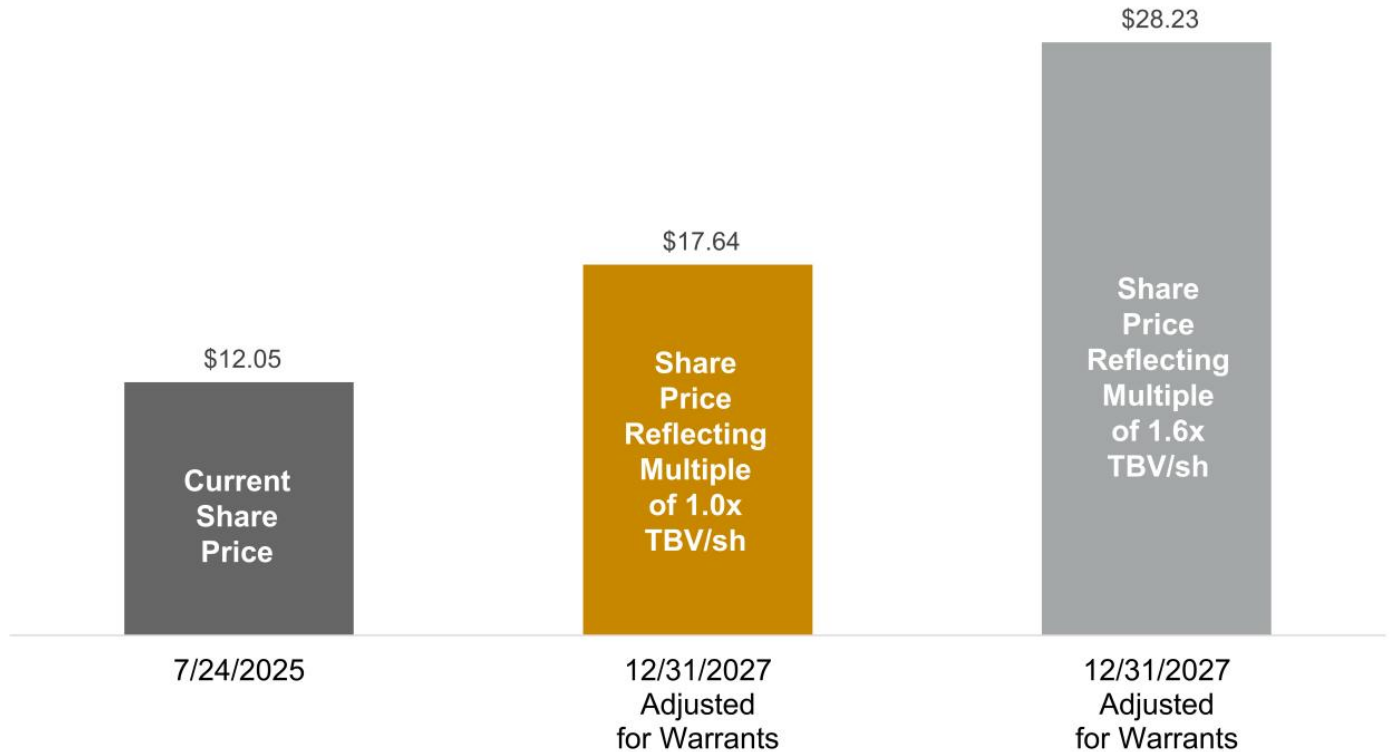
## Highlights

- Criticized + classified loans decreased \$1.3 billion, or 9% quarter over quarter
- Net charge-offs to average loans were relatively stable at 72 basis points<sup>(2)</sup> for the second quarter 2025
- Non-accrual loans adjusted for one large relationship decreased \$117 million, or 4% vs. prior quarter
- Slowdown of new problem loan formation supported by decrease in criticized + classified loans and modest decrease in NALs

Note 1: Shown on UPB basis and excludes one-to-four family residential loans and other loans, which primarily includes HELOCs  
Note 2: Presented on an annualized basis



## Closing Valuation Gap to Peer Group Presents Significant Upside



Note: See cautionary statements on page 2 | Most peers trade between 1.0x and 2.0x of TBV/share

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# Appendix

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## Capital and Liquidity Position



	Flagstar Q2'24	Flagstar Q1'25	Flagstar Q2'25	Category IV Banks Most Recent Available	\$50 – 100B Asset Banks Most Recent Available
<b>CET1 Ratio</b>	9.5%	11.9% <sup>(1)</sup>	<b>12.3%<sup>(1)</sup></b>	10.7%	11.0%
<b>CET1 Ratio (inclusive of AOCI)<sup>(1)(2)</sup></b>	9.4%	11.0% <sup>(1)(2)</sup>	<b>11.4%<sup>(1)(2)</sup></b>	8.5%	9.9%
<b>Loan to Deposit Ratio</b>	94%	90%	<b>92%</b>	80%	85%
<b>Cash + Securities / Assets</b>	25%	26%	<b>25%</b>	27%	23%
<b>Insured Deposits</b>	84% <sup>(3)</sup>	82% <sup>(3)</sup>	<b>82%<sup>(3)</sup></b>	57%	58%

Source: S&P Capital IQ Pro.

Note: See cautionary statements on page 2.

Note 1: Assumes conversion of the remaining convertible preferred securities. \$1 million of the preferred securities in the March 2024 capital raise remain to be converted upon receipt of certain governmental approvals.

Note 2: (CET1 + AOCI – CF Hedge in AOCI) / RWA; Exclusion of AOCI adjusted for cash flow hedges on loan portfolio.

Note 3: Excludes collateralized deposits and excludes internal deposits.

## Q2 2025 Financial Highlights



### INCOME STATEMENT SUMMARY

(\$ in millions)	Flagstar 6/30/25
Net Interest Income	\$419
Noninterest Income	\$77
Adjusted Operating Expenses <sup>(1)</sup>	\$460
Provision for Loan Losses	\$64
Net Income / (Loss) Attributable to Common Shareholders	\$(78)
Diluted Earnings / (Loss) per Common Share	\$(0.19)
Dividends Per Share	\$0.01
ROAA	NM
ROATCE	NM
Net Interest Margin	1.81%

### BALANCE SHEET SUMMARY

Cash & Cash Equivalents	\$8,094
Total Securities	\$14,837
Loans HFI, Net	\$63,015
Total Assets	\$92,237
Total Deposits	\$69,745
Total Borrowed Funds	\$13,180
Mezzanine Equity	\$1
Preferred Equity	\$503
Common Equity Tier 1 Ratio	12.3%
Common Equity	\$7,592
Total ACL / Loans HFI	1.81%
TBV Per Share <sup>(1)</sup>	\$17.24

### Income Statement Commentary

#### Net Interest Income and Non-interest Income:

Reflects consistent fee income, along with growth in spread income driven by higher earning asset yields and lower funding costs.

### Balance Sheet Commentary

#### Cash & Cash Equivalents:

Continue to utilize a portion of our cash position to pay down higher cost funding and increase our investment securities portfolio.

#### Loans HFI, Net:

CRE exposure continues to decline due to strong payoff activity.

#### Deposits:

Decline due to maturity/payoff of brokered CDs and lower mortgage escrow deposits.

#### Capital:

CET1 ratio improved due to reduction in capital-intensive assets and modest AOCI improvement.

Note 1: See the reconciliations of these non-GAAP measures with the comparable GAAP measures on page 24



## Reconciliations of GAAP and Non-GAAP Measures



Adjusted Noninterest Expense					
	Three Months Ended 6/30/2024	Three Months Ended 9/30/2024	Three Months Ended 12/31/2024	Three Months Ended 3/31/2025	Three Months Ended 6/30/2025
Noninterest expense	\$705	\$716	\$718	\$532	\$513
Less: Intangible asset amortization	33	33	31	28	27
Less: Merger-related and restructuring expenses	34	18	11	8	14
Less: Items related to long-term asset impairment	--	--	77	6	12
Less: Items related to sale of mortgage servicing business	--	--	12	5	--
Less: Severance costs	--	--	31	--	--
Less: Certain items related to sale of mortgage warehouse business	--	9	--	--	--
<b>Adjusted noninterest expense</b>	<b>\$638</b>	<b>\$656</b>	<b>\$556</b>	<b>\$485</b>	<b>\$460</b>

Tangible Book Value Per Common Share	
	6/30/2025
Total stockholders equity	\$8,095
Less: Core deposit and other intangibles	433
Less: Preferred stock	503
<b>Tangible common stockholders equity (A)</b>	<b>\$7,159</b>
<b>Common shares outstanding (B)</b>	<b>415,353,394</b>
<b>Tangible book value per common share (A / B)</b>	<b>\$17.24</b>

Note: \$ in millions except share data. Please note that columns of data may not add due to rounding.

## Peer Groups



Category IV Banks	Ticker
Citizens Financial	CFG
Fifth Third Bancorp	FITB
First Citizens Banc.	FCNC.A
Huntington Banc.	HBAN
KeyCorp	KEY
M&T Bank	MTB
Regions Financial	RF

Banks with \$50B - \$100B in Assets	Ticker
Columbia Banking System	COLB
Comerica	CMA
Cullen Frost Bankers	CFR
East West Bancorp	EWBC
First Horizon	FHN
Old National Bancorp	ONB
Pinnacle Financial Partners	PNFP
Popular	BPOP
Synovus Financial	SNV
UMB Financial Corporation	UMBF
Valley National	VLY
Webster Financial	WBS
Western Alliance	WAL
Wintrust Financial	WTFC
Zions Bancorp	ZION

