

# FLAGSTAR GIVES YOU THE FREEDOM

## BANKING

Growth in banking continued in 2003 with the opening of 12 new banking centers, including our first traditional office in Indiana. Four of the new branches opened in 2003 were in Indiana, with the balance in metropolitan Detroit. Plans for 2004 call for up to 25 new offices, largely in our Michigan market.

Retail deposits showed impressive growth, advancing 33.3 percent to \$3.6 billion, with the number of accounts rising almost 25 percent to 197,000. Our performance was particularly strong in savings and investment accounts where our competitive rates and exceptional customer service were successful in earning new business.

Our public funds deposits also showed strong growth, advancing \$91.4 million to \$899.1 million.

We continue to differentiate ourselves in the marketplace with our convenient 7:30 a.m. to 7:30 p.m. hours and our signature sit-down banking, which allows customers to conduct their business in private surroundings. Our high-touch service has helped us attract customers disenfranchised by industry consolidations.

To meet the needs of our customers, we have entered an agreement with IFMG Securities, Inc., to offer investments and insurance through licensed brokers in our banking centers in 2004. We expect the program, which will be called Investment and Insurance Services at Flagstar Bank, to be up and running in all banking centers by mid-2004.