

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): January 19, 2023 (January 19, 2023)

BankUnited, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

001-35039

(Commission File Number)

27-0162450
(I.R.S. Employer Identification No.)

14817 Oak Lane, Miami Lakes, FL
(Address of principal executive offices)

33016

(Zip Code)

(Registrant's telephone number, including area code): (305) 569-2000

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))

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

Class
Common Stock, \$0.01 Par Value

Trading Symbol
BKU

Name of Exchange on Which Registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§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 2.02 Results of Operations and Financial Condition.

On January 19, 2023, BankUnited, Inc. (the “Company”) reported its results for the quarter ended December 31, 2022. A copy of the Company’s press release containing this information and slides containing supplemental information related to this release are being furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release dated January 19, 2023
99.2	Supplemental information relating to the press release dated January 19, 2023

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.

Dated: January 19, 2023

BANKUNITED, INC.

/s/ Leslie N. Lunak

Name: Leslie N. Lunak
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit
Number

Description

[99.1](#)
[99.2](#)

[Press release dated January 19, 2023](#)
[Supplemental information relating to the press release dated January 19, 2023](#)

BANKUNITED, INC. REPORTS 2022 RESULTS

Miami Lakes, Fla. — January 19, 2023 — BankUnited, Inc. (the “Company”) (NYSE: BKU) today announced financial results for the quarter and year ended December 31, 2022.

"We finished 2022 strong, with good growth, margin expansion and the launch of Atlanta and the Dallas branch. We're optimistic going into 2023." said Rajinder Singh, Chairman, President and Chief Executive Officer.

For the quarter ended December 31, 2022, the Company reported net income of \$64.2 million, or \$0.82 per diluted share, compared to \$87.9 million, or \$1.12 per diluted share for the immediately preceding quarter ended September 30, 2022 and \$125.3 million, or \$1.41 per diluted share, for the quarter ended December 31, 2021. For the year ended December 31, 2022, the Company reported net income of \$285.0 million, or \$3.54 per diluted share, compared to \$415.0 million, or \$4.52 per diluted share, for the year ended December 31, 2021.

Quarterly Highlights

- BankUnited was ranked #1 in comprehensive innovation, #2 in bank reputation among customers and #9 in bank reputation among non-customers in an annual survey by the American Banker and RepTrak, published in November 2022. The survey encompassed 41 large, regional and nontraditional banks.
- Pre-tax, pre-provision net revenue ("PPNR") was \$121.4 million for the quarter ended December 31, 2022, compared to \$120.8 million for the immediately preceding quarter ended September 30, 2022 and \$63.8 million for the quarter ended December 31, 2021. PPNR for the quarter ended December 31, 2021 was impacted by certain significant notable items, further discussed below in the section titled "Non-interest income and Non-interest expense."
- Loans grew by \$619 million for the quarter ended December 31, 2022. The core C&I and commercial real estate portfolio segments grew by a total of \$722 million. For the year ended December 31, 2022, excluding the decline in PPP loans, total loans grew by 6% or \$1.4 billion.
- Total deposits grew by \$160 million during the quarter ended December 31, 2022. Not unexpectedly in the current interest rate environment, non-interest bearing demand deposits declined by \$756 million to 29% of total deposits, while interest bearing deposits grew by \$916 million.
- The net interest margin, calculated on a tax-equivalent basis, expanded to 2.81% for the quarter ended December 31, 2022, from 2.76% for the immediately preceding quarter and 2.44% for the quarter ended December 31, 2021. Net interest income increased by \$7.2 million, compared to the immediately preceding quarter ended September 30, 2022 and by \$37.1 million compared to the quarter ended December 31, 2021. Net interest income for the year ended December 31, 2022 grew by 15% compared to the prior year, while the net interest margin expanded by 30 basis points year-over-year.
- In response to the rising interest rate environment and tightening liquidity, the average cost of total deposits rose to 1.42% for the quarter ended December 31, 2022, from 0.78% for the immediately preceding quarter ended September 30, 2022 and 0.19% for the quarter ended December 31, 2021. The yield on average interest earning assets increased to 4.60% for the quarter ended December 31, 2022, from 3.80% for the immediately preceding quarter and 2.81% for the quarter ended December 31, 2021.
- For the quarter ended December 31, 2022, the Company recorded a provision for credit losses of \$39.6 million compared to provisions of \$3.7 million and \$0.2 million for the quarters ended September 30, 2022 and December 31, 2021, respectively. Despite the decline in non-performing loans, we built reserves during the quarter in light of a worsening baseline economic forecast and a heightened level of uncertainty regarding the trajectory of the economy. The provision for credit losses for the quarter ended December 31, 2022 was also impacted by loan growth and an increase in certain specific reserves. The ratio of the ACL to total loans increased to 0.59%, from 0.54% at September 30, 2022.
- During the quarter ended December 31, 2022, the Company repurchased approximately 1.9 million shares of its common stock for an aggregate purchase price of \$64.7 million, at a weighted average price of \$33.92 per share.

Loans

A comparison of loan portfolio composition at the dates indicated follows (dollars in thousands):

	December 31, 2022		September 30, 2022		December 31, 2021	
Residential and other consumer loans	\$ 8,900,714	35.7 %	\$ 8,853,884	36.4 %	\$ 8,368,380	35.2 %
Non-owner occupied commercial real estate	5,405,597	21.7 %	5,331,232	22.1 %	5,536,348	23.3 %
Construction and land	294,360	1.2 %	246,202	1.0 %	165,390	0.7 %
Owner occupied commercial real estate	1,890,813	7.6 %	1,919,074	7.9 %	1,944,658	8.2 %
Commercial and industrial	6,414,351	25.9 %	5,786,907	23.9 %	4,790,275	20.2 %
PPP	3,370	— %	10,191	— %	248,505	1.0 %
Pinnacle	912,122	3.7 %	932,187	3.8 %	919,641	3.9 %
Bridge - franchise finance	253,774	1.0 %	254,137	1.0 %	342,124	1.4 %
Bridge - equipment finance	286,147	1.1 %	310,035	1.3 %	357,599	1.5 %
Mortgage warehouse lending ("MWL")	524,740	2.1 %	622,883	2.6 %	1,092,133	4.6 %
	<u>\$ 24,885,988</u>	<u>100.0 %</u>	<u>\$ 24,266,732</u>	<u>100.0 %</u>	<u>\$ 23,765,053</u>	<u>100.0 %</u>

Total loans grew by \$619 million for the quarter ended December 31, 2022. In the aggregate, the core C&I and commercial real estate portfolio segments grew by \$722 million. The commercial and industrial segment, including owner-occupied commercial real estate, grew by \$599 million for the quarter, while commercial real estate loans grew by \$123 million. As expected, the remaining commercial segments declined during the quarter while the residential portfolio grew modestly.

Asset Quality and the Allowance for Credit Losses ("ACL")

Non-performing loans totaled \$105.0 million or 0.42% of total loans at December 31, 2022, down from \$156.4 million or 0.64% of total loans at September 30, 2022 and \$205.9 million or 0.87% of total loans at December 31, 2021. Non-performing loans included \$40.3 million, \$41.8 million and \$46.1 million of the guaranteed portion of SBA loans on non-accrual status, representing 0.16%, 0.17% and 0.19% of total loans at December 31, 2022, September 30, 2022 and December 31, 2021, respectively.

The following table presents criticized and classified commercial loans at the dates indicated (in thousands):

	December 31, 2022		September 30, 2022		December 31, 2021	
Special mention	\$ 51,433		\$ 26,939		\$ 148,593	
Substandard - accruing	605,965		662,716		1,136,378	
Substandard - non-accruing	75,125		104,994		129,579	
Doubtful	7,990		32,093		47,754	
Total	<u>\$ 740,513</u>		<u>\$ 826,742</u>		<u>\$ 1,462,304</u>	

The following table presents the ACL and related ACL coverage ratios at the dates indicated and net charge-off rates for the periods ended December 31, 2022, September 30, 2022, and December 31, 2021 (dollars in thousands):

	ACL	ACL to Total Loans	ACL to Non-Performing Loans	Net Charge-offs to Average Loans ⁽¹⁾
December 31, 2021	\$ 126,457	0.53 %	61.41 %	0.29 %
September 30, 2022	\$ 130,671	0.54 %	83.54 %	0.16 %
December 31, 2022	\$ 147,946	0.59 %	140.88 %	0.22 %

(1) Annualized for the nine months ended September 30, 2022.

The ACL at December 31, 2022 represents management's estimate of lifetime expected credit losses given our assessment of historical data, current conditions and a reasonable and supportable economic forecast as of the balance sheet date. For the quarter ended December 31, 2022, the Company recorded a provision for credit losses of \$39.6 million, including \$40.4 million related to funded loans. The most significant factor impacting the provision for credit losses for the quarter ended December 31, 2022 was the economic forecast and uncertainty about the trajectory of the economy, which impacted both the quantitative and qualitative portions of the ACL. New loan production and increases in certain specific reserves also impacted the provision for the quarter.

For the year ended December 31, 2022 the provision for credit losses totaled \$75.2 million, compared to a recovery of the provision of \$(67.1) million for the year ended December 31, 2021. The provision for 2022 reflected consideration of emerging economic uncertainty and increasing probability of a recession, while the recovery for 2021 reflected the release of reserves built at the time of onset of the COVID-19 pandemic.

The following table summarizes the activity in the ACL for the periods indicated (in thousands):

	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Beginning balance	\$ 130,671	\$ 159,615	\$ 126,457	\$ 257,323
Provision (recovery)	40,408	1,067	73,814	(64,456)
Net charge-offs	(23,133)	(34,225)	(52,325)	(66,410)
Ending balance	\$ 147,946	\$ 126,457	\$ 147,946	\$ 126,457

Net Interest Income

Net interest income for the quarter ended December 31, 2022 was \$243.1 million, compared to \$235.8 million for the immediately preceding quarter ended September 30, 2022 and \$206.0 million for the quarter ended December 31, 2021. Interest income increased by \$75.5 million for the quarter ended December 31, 2022, compared to the immediately preceding quarter while interest expense increased by \$68.2 million.

The Company's net interest margin, calculated on a tax-equivalent basis, increased by 0.05% to 2.81% for the quarter ended December 31, 2022, from 2.76% for the immediately preceding quarter ended September 30, 2022. Factors impacting the net interest margin for the quarter ended December 31, 2022 included:

- The tax-equivalent yield on investment securities increased to 4.33% for the quarter ended December 31, 2022, from 3.12% for the quarter ended September 30, 2022. This increase resulted from the reset of coupon rates on variable rate securities and to a lesser extent, purchases of higher yielding securities.
- The tax-equivalent yield on loans increased to 4.72% for the quarter ended December 31, 2022, from 4.11% for the quarter ended September 30, 2022. The resetting of variable rate loans to higher coupon rates and origination of new loans at higher rates contributed to the increase.
- The average rate paid on interest bearing deposits increased to 2.06% for the quarter ended December 31, 2022, from 1.14% for the quarter ended September 30, 2022, in response to the rising interest rate environment and tightening liquidity conditions. Time deposits grew as a percentage of interest bearing deposits as we deployed a strategy to extend the term of interest bearing deposits.
- The average rate paid on FHLB advances increased to 3.44% for the quarter ended December 31, 2022, from 2.25% for the quarter ended September 30, 2022, primarily in response to the rising interest rate environment.

Non-interest income and Non-interest expense

Non-interest income totaled \$26.8 million for the quarter ended December 31, 2022, compared to \$23.1 million for the quarter ended September 30, 2022 and \$45.6 million for the quarter ended December 31, 2021. During the quarter ended December 31, 2021, the Company sold a portfolio of single-family residential loans for a gain of \$18.2 million.

Non-interest income totaled \$77.6 million for the year ended December 31, 2022, compared to \$134.2 million for the year ended December 31, 2021. The year-over-year decline is primarily attributable to (i) the gain on sale of residential loans in the fourth quarter of 2021 discussed above, (ii) a \$19.7 million decline in the fair value of certain preferred stock investments included in net loss on investment securities for the year ended December 31, 2022, and (iii) a decline in "other" non-interest income related primarily to lower BOLI revenue.

Non-interest expense totaled \$148.5 million for the quarter ended December 31, 2022, compared to \$138.1 million for the immediately preceding quarter ended September 30, 2022 and \$187.9 million for the quarter ended December 31, 2021. Non-interest expense totaled \$540.3 million and \$547.6 million for the years ended December 31, 2022 and 2021, respectively. Non-interest expense for the quarter and year ended December 31, 2021 included a loss of \$44.8 million on discontinuance of cash flow hedges. Quarter-over-quarter and year-over-year increases in employee compensation and benefits and in technology expense reflected labor market dynamics and continued investment in people and technology to support future growth.

Provision (benefit) for income taxes

The effective income tax rate was 21.5% and 24.0% for the quarter and year ended December 31, 2022, compared to (97.2)% and 7.7% for the quarter and year ended December 31, 2021. The effective income tax rate for both the quarter and year ended December 31, 2021 was positively impacted by \$69.1 million in discrete tax benefits recognized in the fourth quarter of 2021.

Earnings Conference Call and Presentation

A conference call to discuss quarterly results will be held at 9:00 a.m. ET on Thursday, January 19, 2023 with Chairman, President and Chief Executive Officer, Rajinder P. Singh, Chief Financial Officer, Leslie N. Lunak and Chief Operating Officer, Thomas M. Cornish.

The earnings release and slides with supplemental information relating to the release will be available on the Investor Relations page under About Us on www.bankunited.com prior to the call. Due to recent demand for conference call services, participants are encouraged to listen to the call via a live Internet webcast at <https://ir.bankunited.com>. To participate by telephone, participants will receive dial-in information and a unique PIN number upon completion of registration at <https://register.vevent.com/register/B19a423dcb6b32467695ab75bc2d26717e>. For those unable to join the live event, an archived webcast will be available in the Investor Relations page at <https://ir.bankunited.com> approximately two hours following the live webcast.

About BankUnited, Inc.

BankUnited, Inc., with total assets of \$37.0 billion at December 31, 2022, is the bank holding company of BankUnited, N.A., a national bank headquartered in Miami Lakes, Florida with 54 banking centers in 12 Florida counties, 4 banking centers in the New York metropolitan area, and 1 banking center located in Dallas, Texas.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the Company's current views with respect to, among other things, future events and financial performance.

The Company generally identifies forward-looking statements by terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "forecasts" or the negative version of those words or other comparable words. Any forward-looking statements contained in this press release are based on the historical performance of the Company and its subsidiaries or on the Company's current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the Company that the future plans, estimates or expectations contemplated by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions, including (without limitations) those relating to the Company's operations, financial results, financial condition, business prospects, growth strategy and liquidity, including as impacted by external circumstances outside the Company's direct control. If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, the Company's actual results may vary materially from those indicated in these statements. These factors should not be construed as exhaustive. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. Information on these factors can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K, which are available at the SEC's website (www.sec.gov).

Contact
BankUnited, Inc.
Investor Relations:
Leslie N. Lunak, 786-313-1698, llunak@bankunited.com
Source: BankUnited, Inc.

BANKUNITED, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - UNAUDITED
(In thousands, except share and per share data)

	December 31, 2022	December 31, 2021
ASSETS		
Cash and due from banks:		
Non-interest bearing	\$ 16,068	\$ 19,143
Interest bearing	556,579	295,714
Cash and cash equivalents	572,647	314,857
Investment securities (including securities recorded at fair value of \$9,745,327 and \$10,054,198)	9,755,327	10,064,198
Non-marketable equity securities	294,172	135,859
Loans	24,885,988	23,765,053
Allowance for credit losses	(147,946)	(126,457)
Loans, net	24,738,042	23,638,596
Bank owned life insurance	308,212	309,477
Operating lease equipment, net	539,799	640,726
Goodwill	77,637	77,637
Other assets	740,876	634,046
Total assets	<u>\$ 37,026,712</u>	<u>\$ 35,815,396</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Demand deposits:		
Non-interest bearing	\$ 8,037,848	\$ 8,975,621
Interest bearing	2,142,067	3,709,493
Savings and money market	13,061,341	13,368,745
Time	4,268,078	3,384,243
Total deposits	27,509,334	29,438,102
Federal funds purchased	190,000	199,000
FHLB advances	5,420,000	1,905,000
Notes and other borrowings	720,923	721,416
Other liabilities	750,474	514,117
Total liabilities	34,590,731	32,777,635
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$0.01 per share, 400,000,000 shares authorized; 75,674,587 and 85,647,986 shares issued and outstanding	757	856
Paid-in capital	321,729	707,503
Retained earnings	2,551,400	2,345,342
Accumulated other comprehensive loss	(437,905)	(15,940)
Total stockholders' equity	2,435,981	3,037,761
Total liabilities and stockholders' equity	<u>\$ 37,026,712</u>	<u>\$ 35,815,396</u>

BANKUNITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(In thousands, except per share data)

	Three Months Ended			Years Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2022	2022	2021	2022	2021
Interest income:					
Loans	\$ 288,973	\$ 244,884	\$ 198,275	\$ 934,642	\$ 800,819
Investment securities	105,172	77,109	38,201	280,100	152,619
Other	7,345	4,031	1,397	15,709	6,010
Total interest income	401,490	326,024	237,873	1,230,451	959,448
Interest expense:					
Deposits	94,403	53,206	13,631	179,972	67,596
Borrowings	64,021	36,982	18,227	137,519	96,164
Total interest expense	158,424	90,188	31,858	317,491	163,760
Net interest income before provision for credit losses	243,066	235,836	206,015	912,960	795,688
Provision for (recovery of) credit losses	39,608	3,720	246	75,154	(67,119)
Net interest income after provision for credit losses	203,458	232,116	205,769	837,806	862,807
Non-interest income:					
Deposit service charges and fees	5,482	6,064	5,815	23,402	21,685
Gain (loss) on sale of loans, net	(335)	(613)	19,003	(2,570)	24,394
Gain (loss) on investment securities, net	320	135	590	(15,805)	6,446
Lease financing	14,153	13,180	14,041	54,111	53,263
Other non-interest income	7,193	4,306	6,173	18,498	28,365
Total non-interest income	26,813	23,072	45,622	77,636	134,153
Non-interest expense:					
Employee compensation and benefits	69,902	66,097	70,561	265,548	243,532
Occupancy and equipment	10,770	11,719	12,817	45,400	47,944
Deposit insurance expense	6,205	4,398	3,471	17,999	18,695
Professional fees	3,028	3,184	8,023	11,730	14,386
Technology	22,388	19,813	18,221	77,103	67,500
Discontinuance of cash flow hedges	—	—	44,833	—	44,833
Depreciation and impairment of operating lease equipment	12,547	12,646	15,769	50,388	53,764
Other non-interest expense	23,639	20,248	14,165	72,142	56,921
Total non-interest expense	148,479	138,105	187,860	540,310	547,575
Income before income taxes	81,792	117,083	63,531	375,132	449,385
Provision (benefit) for income taxes	17,585	29,233	(61,724)	90,161	34,401
Net income	\$ 64,207	\$ 87,850	\$ 125,255	\$ 284,971	\$ 414,984
Earnings per common share, basic	\$ 0.83	\$ 1.13	\$ 1.42	\$ 3.55	\$ 4.52
Earnings per common share, diluted	\$ 0.82	\$ 1.12	\$ 1.41	\$ 3.54	\$ 4.52

BANKUNITED, INC. AND SUBSIDIARIES
AVERAGE BALANCES AND YIELDS
(Dollars in thousands)

	Three Months Ended December 31, 2022			Three Months Ended September 30, 2022			Three Months Ended December 31, 2021		
	Average Balance	Interest ⁽¹⁾	Yield/Rate ⁽¹⁾⁽²⁾	Average Balance	Interest ⁽¹⁾	Yield/Rate ⁽¹⁾⁽²⁾	Average Balance	Interest ⁽¹⁾	Yield/Rate ⁽¹⁾⁽²⁾
Assets:									
Interest earning assets:									
Loans	\$ 24,624,062	\$ 292,272	4.72 %	\$ 24,053,742	\$ 248,168	4.11 %	\$ 22,919,535	\$ 201,345	3.50 %
Investment securities ⁽³⁾	9,788,969	106,034	4.33 %	9,981,486	77,840	3.12 %	10,113,026	38,889	1.54 %
Other interest earning assets	710,315	7,345	4.10 %	596,879	4,031	2.68 %	1,184,056	1,397	0.47 %
Total interest earning assets	35,123,346	405,651	4.60 %	34,632,107	330,039	3.80 %	34,216,617	241,631	2.81 %
Allowance for credit losses	(137,300)			(133,828)			(149,319)		
Non-interest earning assets	1,837,156			1,703,371			1,767,850		
Total assets	\$ 36,823,202			\$ 36,201,650			\$ 35,835,148		
Liabilities and Stockholders' Equity:									
Interest bearing liabilities:									
Interest bearing demand deposits	\$ 2,183,854	\$ 6,704	1.22 %	\$ 2,306,906	\$ 4,104	0.71 %	\$ 3,058,355	\$ 1,481	0.19 %
Savings and money market deposits	12,054,892	68,001	2.24 %	13,001,566	39,838	1.22 %	13,460,084	9,619	0.28 %
Time deposits	3,960,111	19,698	1.97 %	3,255,869	9,264	1.13 %	3,399,302	2,531	0.30 %
Total interest bearing deposits	18,198,857	94,403	2.06 %	18,564,341	53,206	1.14 %	19,917,741	13,631	0.27 %
Federal funds purchased	175,637	1,677	3.74 %	153,905	833	2.12 %	56,793	13	0.09 %
FHLB advances	6,125,435	53,084	3.44 %	4,739,457	26,890	2.25 %	1,909,450	8,957	1.86 %
Notes and other borrowings	721,044	9,260	5.14 %	721,164	9,259	5.14 %	721,525	9,257	5.13 %
Total interest bearing liabilities	25,220,973	158,424	2.49 %	24,178,867	90,188	1.48 %	22,605,509	31,858	0.56 %
Non-interest bearing demand deposits	8,237,885			8,749,794			9,330,805		
Other non-interest bearing liabilities	879,207			697,440			785,254		
Total liabilities	34,338,065			33,626,101			32,721,568		
Stockholders' equity	2,485,137			2,575,549			3,113,580		
Total liabilities and stockholders' equity	\$ 36,823,202			\$ 36,201,650			\$ 35,835,148		
Net interest income		\$ 247,227			\$ 239,851			\$ 209,773	
Interest rate spread			2.11 %			2.32 %			2.25 %
Net interest margin			2.81 %			2.76 %			2.44 %

(1) On a tax-equivalent basis where applicable

(2) Annualized

(3) At fair value except for securities held to maturity

BANKUNITED, INC. AND SUBSIDIARIES
AVERAGE BALANCES AND YIELDS
(Dollars in thousands)

	Years Ended December 31,					
	2022			2021		
	Average Balance	Interest ⁽¹⁾	Yield/ Rate ⁽¹⁾	Average Balance	Interest ⁽¹⁾	Yield/ Rate ⁽¹⁾
Assets:						
Interest earning assets:						
Loans	\$ 23,937,857	\$ 947,386	3.96 %	\$ 23,083,973	\$ 814,101	3.53 %
Investment securities ⁽²⁾	10,081,701	283,081	2.81 %	9,873,178	155,353	1.57 %
Other interest earning assets	675,068	15,709	2.33 %	1,093,869	6,010	0.55 %
Total interest earning assets	34,694,626	1,246,176	3.59 %	34,051,020	975,464	2.86 %
Allowance for credit losses	(132,033)			(197,212)		
Non-interest earning assets	1,721,570			1,770,685		
Total assets	<u>\$ 36,284,163</u>			<u>\$ 35,624,493</u>		
Liabilities and Stockholders' Equity:						
Interest bearing liabilities:						
Interest bearing demand deposits	\$ 2,538,906	13,919	0.55 %	\$ 3,027,649	8,550	0.28 %
Savings and money market deposits	12,874,240	130,705	1.02 %	13,339,651	43,082	0.32 %
Time deposits	3,338,671	35,348	1.06 %	3,490,082	15,964	0.46 %
Total interest bearing deposits	18,751,817	179,972	0.96 %	19,857,382	67,596	0.34 %
Federal funds purchased	157,979	2,723	1.72 %	33,945	30	0.09 %
FHLB advances	4,383,507	97,763	2.23 %	2,622,723	59,116	2.25 %
Notes and other borrowings	721,223	37,033	5.13 %	721,803	37,018	5.13 %
Total interest bearing liabilities	24,014,526	317,491	1.32 %	23,235,853	163,760	0.70 %
Non-interest bearing demand deposits	8,861,111			8,480,964		
Other non-interest bearing liabilities	708,473			784,031		
Total liabilities	33,584,110			32,500,848		
Stockholders' equity	2,700,053			3,123,645		
Total liabilities and stockholders' equity	<u>\$ 36,284,163</u>			<u>\$ 35,624,493</u>		
Net interest income		<u>\$ 928,685</u>			<u>\$ 811,704</u>	
Interest rate spread			<u>2.27 %</u>			<u>2.16 %</u>
Net interest margin			<u>2.68 %</u>			<u>2.38 %</u>

- (1) On a tax-equivalent basis where applicable
(2) At fair value except for securities held to maturity

BANKUNITED, INC. AND SUBSIDIARIES
EARNINGS PER COMMON SHARE
(In thousands except share and per share amounts)

	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Basic earnings per common share:				
Numerator:				
Net income	\$ 64,207	\$ 125,255	\$ 284,971	\$ 414,984
Distributed and undistributed earnings allocated to participating securities	(1,519)	(2,059)	(5,075)	(5,991)
Income allocated to common stockholders for basic earnings per common share	\$ 62,688	\$ 123,196	\$ 279,896	\$ 408,993
Denominator:				
Weighted average common shares outstanding	77,043,587	88,123,835	80,032,356	91,612,243
Less average unvested stock awards	(1,207,275)	(1,193,180)	(1,224,568)	(1,212,055)
Weighted average shares for basic earnings per common share	75,836,312	86,930,655	78,807,788	90,400,188
Basic earnings per common share	<u>\$ 0.83</u>	<u>\$ 1.42</u>	<u>\$ 3.55</u>	<u>\$ 4.52</u>
Diluted earnings per common share:				
Numerator:				
Income allocated to common stockholders for basic earnings per common share	\$ 62,688	\$ 123,196	\$ 279,896	\$ 408,993
Adjustment for earnings reallocated from participating securities	(184)	(234)	(626)	(585)
Income used in calculating diluted earnings per common share	\$ 62,504	\$ 122,962	\$ 279,270	\$ 408,408
Denominator:				
Weighted average shares for basic earnings per common share	75,836,312	86,930,655	78,807,788	90,400,188
Dilutive effect of certain share-based awards	127	—	94	134
Weighted average shares for diluted earnings per common share	75,836,439	86,930,655	78,807,882	90,400,322
Diluted earnings per common share	<u>\$ 0.82</u>	<u>\$ 1.41</u>	<u>\$ 3.54</u>	<u>\$ 4.52</u>

**BANKUNITED, INC. AND SUBSIDIARIES
SELECTED RATIOS**

	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Financial ratios⁽⁴⁾				
Return on average assets	0.69 %	1.39 %	0.79 %	1.16 %
Return on average stockholders' equity	10.3 %	16.0 %	10.6 %	13.3 %
Net interest margin ⁽³⁾	2.81 %	2.44 %	2.68 %	2.38 %
			December 31, 2022	December 31, 2021
Asset quality ratios				
Non-performing loans to total loans ⁽¹⁾⁽⁵⁾			0.42 %	0.87 %
Non-performing assets to total assets ⁽²⁾⁽⁵⁾			0.29 %	0.58 %
Allowance for credit losses to total loans			0.59 %	0.53 %
Allowance for credit losses to non-performing loans ⁽¹⁾⁽⁵⁾			140.88 %	61.41 %
Net charge-offs to average loans			0.22 %	0.29 %

- (1) We define non-performing loans to include non-accrual loans and loans other than purchased credit deteriorated and government insured residential loans that are past due 90 days or more and still accruing. Contractually delinquent purchased credit deteriorated and government insured residential loans on which interest continues to be accrued are excluded from non-performing loans.
- (2) Non-performing assets include non-performing loans, OREO and other repossessed assets.
- (3) On a tax-equivalent basis.
- (4) Annualized for the three month periods.
- (5) Non-performing loans and assets include the guaranteed portion of non-accrual SBA loans totaling \$40.3 million or 0.16% of total loans and 0.11% of total assets at December 31, 2022 and \$46.1 million or 0.19% of total loans and 0.13% of total assets at December 31, 2021.

	December 31, 2022		December 31, 2021		Required to be Considered Well Capitalized
	BankUnited, Inc.	BankUnited, N.A.	BankUnited, Inc.	BankUnited, N.A.	
Capital ratios					
Tier 1 leverage	7.5 %	8.4 %	8.4 %	9.6 %	5.0 %
Common Equity Tier 1 ("CET1") risk-based capital	11.0 %	12.4 %	12.6 %	14.5 %	6.5 %
Total risk-based capital	12.7 %	12.9 %	14.3 %	14.9 %	10.0 %

Non-GAAP Financial Measures

PPNR is a non-GAAP financial measure. Management believes this measure is relevant to understanding the performance of the Company attributable to elements other than the provision for credit losses and the ability of the Company to generate earnings sufficient to cover estimated credit losses, particularly in view of recent volatility of the provision for credit losses. This measure also provides a meaningful basis for comparison to other financial institutions since it is commonly employed and is a measure frequently cited by investors and analysts. The following table reconciles the non-GAAP financial measure of PPNR to the comparable GAAP financial measurement of income before income taxes at the dates indicated (in thousands):

	December 31, 2022	September 30, 2022	December 31, 2021
Income before income taxes (GAAP)	\$ 81,792	\$ 117,083	\$ 63,531
Plus: provision for credit losses	39,608	3,720	246
PPNR (non-GAAP)	<u>\$ 121,400</u>	<u>\$ 120,803</u>	<u>\$ 63,777</u>



Q4 2022 – Supplemental Information

January 19, 2023

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the current views of BankUnited, Inc. ("BankUnited," "BKU" or the "Company") with respect to, among other things, future events and financial performance. The Company generally identifies forward-looking statements by terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "forecasts" or the negative version of those words or other comparable words. Any forward-looking statements contained in this presentation are based on the historical performance of the Company and its subsidiaries or on the Company's current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the Company that the future plans, estimates or expectations contemplated by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions, including (without limitations) those relating to the Company's operations, financial results, financial condition, business prospects, growth strategy and liquidity, including as impacted by external circumstances outside the Company's direct control. If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, the Company's actual results may vary materially from those indicated in these statements. These factors should not be construed as exhaustive. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. Information on these factors can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K, which are available at the SEC's website (www.sec.gov).



Quarterly Highlights

Operating results

- Net income for the quarter of \$64.2 million and EPS of \$0.82
- PPNR of \$121.4 million for Q4, compared to \$120.8 million in Q3 and \$63.8 million in Q4'21⁽¹⁾
- Provision for credit losses of \$39.6 million for Q4 - reserve build due to worsening economic forecast and increased likelihood of recession
- NIM expanded by 5bps to 2.81%

Loans and Deposits

- Loan growth of \$619 million
- Core C&I and CRE segments grew \$722 million
- Total deposits increased by \$160 million
- Average cost of total deposits 1.42% for the quarter, compared to 0.78% in Q3

Asset Quality

- NPA ratio of 0.42% at December 31; guaranteed portion of SBA loans included in NPAs was 0.11% of total assets
- Net charge-off rate of 0.22% for the year
- Criticized/classified assets continued to decline

Capital

- Total share repurchases of \$65 million in Q4; \$75 million remaining in current authorization
- CET1 ratios of 11.0% at the holding company and 12.4% at the bank at December 31, 2022
- Book value per share and tangible book value per share were \$32.19 and \$31.16, respectively at December 31⁽²⁾

(1) PPNR is a non-GAAP financial measure. See section entitled "Non-GAAP Financial Measures" on page 24.

(2) Tangible book value per share is a non-GAAP financial measure. See section entitled "Non-GAAP Financial Measures" on page 25.

Highlights from Fourth Quarter Earnings



(\$ in millions, except per share data)	Change From					Key Highlights
	Q4 22	Q3 22	Q4 21	Q3 22	Q4 21	
Net Interest Income	\$243	\$236	\$206	\$7	\$37	
Provision for Credit Losses	\$40	\$4	\$0.2	\$36	\$39.8	Reserve build due primarily to economic forecast
Total Non-interest Income	\$27	\$23	\$46	\$4	(\$19)	Q4 2021 includes \$18 million gain on sale of residential loans
Total Non-interest Expense	\$148	\$138	\$188	\$10	(\$40)	Q4 2021 includes \$45 million loss on discontinuance of hedges
Net Income	\$64	\$88	\$125	(\$24)	(\$61)	Q4 2021 includes \$69 million discrete income tax benefit
EPS	\$0.82	\$1.12	\$1.41	(\$0.30)	(\$0.59)	
Pre-Provision, Pre-Tax Net Revenue (PPNR) ⁽³⁾	\$121.4	\$120.8	\$63.8	\$0.6	\$57.6	
Period-end Loans	\$24,886	\$24,267	\$23,765	\$619	\$1,121	\$722 million growth in core CRE and C&I segments
Period-end Non-interest DDA	\$8,038	\$8,794	\$8,976	(\$756)	(\$938)	
Period-end Deposits	\$27,509	\$27,349	\$29,438	\$160	(\$1,929)	
CET1	11.0%	11.3%	12.6%	(0.3%)	(1.6%)	
Total Capital	12.7%	13.0%	14.3%	(0.3%)	(1.6%)	
Yield on Securities	4.33%	3.12%	1.54%	1.21%	2.79%	
Yield on Loans	4.72%	4.11%	3.50%	0.61%	1.22%	
Cost of Deposits	1.42%	0.78%	0.19%	0.64%	1.23%	
Net Interest Margin	2.81%	2.76%	2.44%	0.05%	0.37%	Continued margin expansion in rising rate environment
Non-performing Assets to Total Assets ⁽¹⁾	0.29%	0.43%	0.58%	(0.14%)	(0.29%)	
Allowance for Credit Losses to Total Loans	0.59%	0.54%	0.53%	0.05%	0.06%	
Net Charge-offs to Average Loans ⁽²⁾	0.22%	0.16%	0.29%	0.06%	(0.07%)	

(1) Includes guaranteed portion of non-accrual SBA loans.

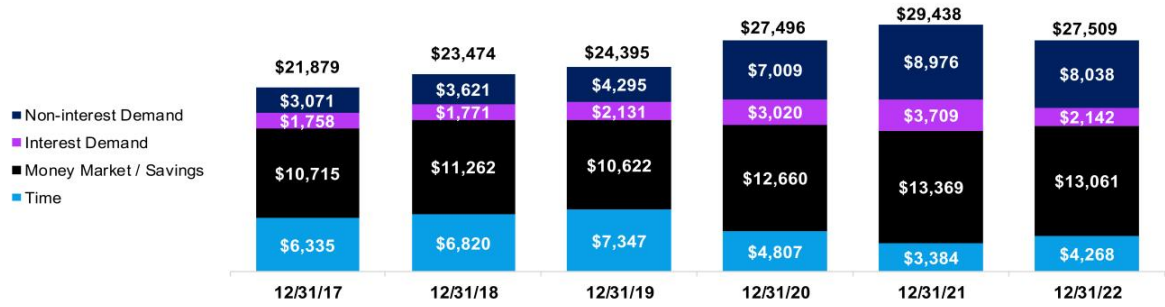
(2) Annualized for the period ended September 30, 2022.

(3) PPNR is a non-GAAP financial measure. See section entitled "Non-GAAP Financial Measures" on page 25.

Continued Strategic Focus - Transforming Deposit Base (\$ in millions)



2022 presented a challenging environment for deposit growth



Quarterly Cost of Deposits	0.94%	1.52%	1.48%	0.43%	0.19%	1.42%
Non-interest bearing as % of Total Deposits	14.0%	15.4%	17.6%	25.5%	30.5%	29.2%

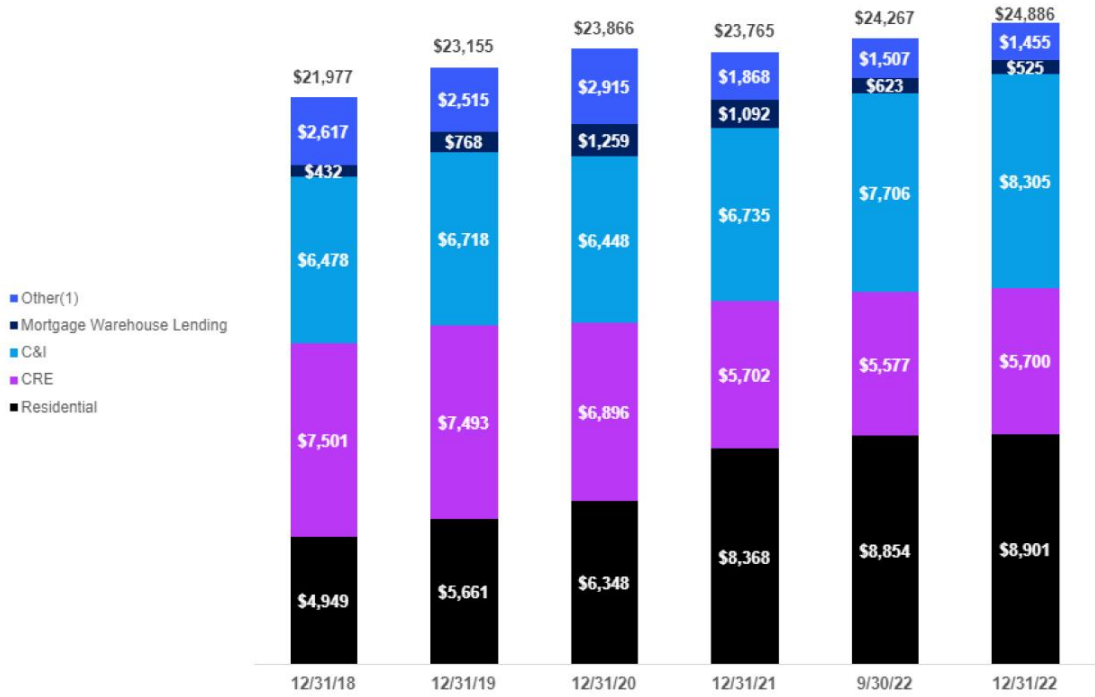
Spot Average Annual Percentage Yield ("APY")	At December 31, 2019	At December 31, 2020	At December 31, 2021	At December 31, 2022
Target Federal Funds Rate Upper Limit	1.75%	0.25%	0.25%	4.50%
Total non-maturity deposits	1.11%	0.29%	0.14%	1.83%
Total interest-bearing deposits	1.71%	0.48%	0.23%	2.66%
Total deposits	1.42%	0.36%	0.16%	1.92%

Prudently Underwritten and Well-Diversified Loan Portfolio

At December 31, 2022 (\$ in millions)



Loan Portfolio Over Time



(1) Includes lending subs and PPP. PPP totaled \$782 million, \$249 million, \$10 million, and \$3 million at December 31, 2020, December 31, 2021, September 30, 2022 and December 31, 2022, respectively.

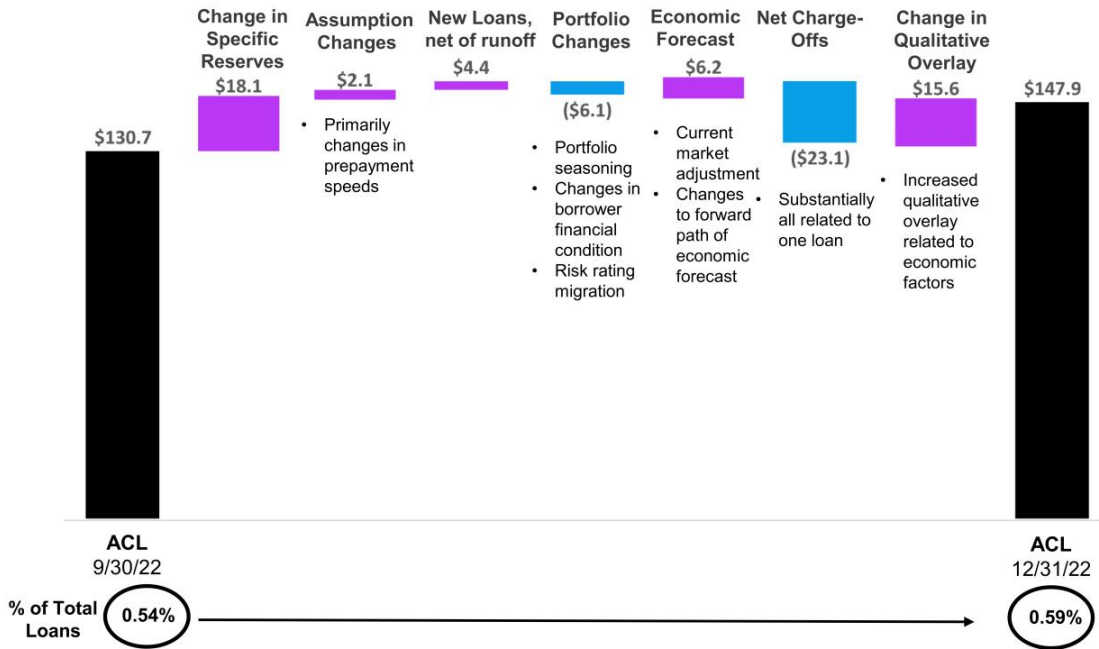


Allowance for Credit Losses

Drivers of Change in the ACL – Current Quarter



(\$ in millions)



Allocation of the ACL



(\$ in millions)

	December 31, 2021		September 30, 2022		December 31, 2022	
	Balance	% of Loans	Balance	% of Loans	Balance	% of Loans
Residential and other consumer	\$ 9.2	0.11%	\$ 11.4	0.13%	\$ 11.7	0.13%
Commercial:						
Commercial real estate	28.8	0.51%	24.4	0.44%	24.8	0.43%
Commercial and industrial	68.0	0.84%	84.6	1.01%	97.2	1.10%
Pinnacle	0.2	0.02%	0.1	0.01%	0.2	0.02%
Franchise finance	16.7	4.90%	8.2	3.22%	11.7	4.63%
Equipment finance	3.6	1.00%	2.0	0.64%	2.3	0.82%
Total commercial	117.3	0.76%	119.3	0.77%	136.2	0.85%
Allowance for credit losses	<u>\$ 126.5</u>	0.53%	<u>\$ 130.7</u>	0.54%	<u>\$ 147.9</u>	0.59%

Asset Quality Ratios	December 31, 2021	September 30, 2022	December 31, 2022
Non-performing loans to total loans ⁽¹⁾	0.87%	0.64%	0.42%
Non-performing assets to total assets ⁽¹⁾	0.58%	0.43%	0.29%
Allowance for credit losses to non-performing loans ⁽¹⁾	61.41%	83.54%	140.88%
Net charge-offs to average loans ⁽²⁾	0.29%	0.16%	0.22%

(1) Non-performing loans and assets include the guaranteed portion of non-accrual SBA loans totaling \$40.3 million, \$41.8 million, and \$46.1 million or 0.16%, 0.17%, and 0.19% of total loans and 0.11%, 0.11%, and 0.13% of total assets at December 31, 2022, September 30, 2022, and December 31, 2021, respectively.

(2) Annualized for the period ended September 30, 2022.



Loan Portfolio and Credit

Granular, Diversified Commercial & Industrial Portfolio

At December 31, 2022



(\$ in millions)

Industry	Balance ⁽¹⁾⁽²⁾	% of Portfolio
Finance and Insurance	\$ 1,792	21.6%
Educational Services	751	9.0%
Manufacturing	647	7.8%
Wholesale Trade	645	7.8%
Information	583	7.0%
Utilities	538	6.5%
Real Estate and Rental and Leasing	509	6.1%
Health Care and Social Assistance	484	5.8%
Transportation and Warehousing	402	4.8%
Construction	337	4.1%
Retail Trade	330	4.0%
Professional, Scientific, and Technical Services	299	3.6%
Other Services (except Public Administration)	235	2.8%
Public Administration	221	2.7%
Administrative and Support and Waste Management	173	2.1%
Accommodation and Food Services	155	1.9%
Arts, Entertainment, and Recreation	152	1.8%
Other	52	0.6%
	\$ 8,305	100.0%

(1) Includes \$1.9 billion of owner-occupied real estate

(2) Excludes PPP loans

Commercial Real Estate by Property Type

At December 31, 2022



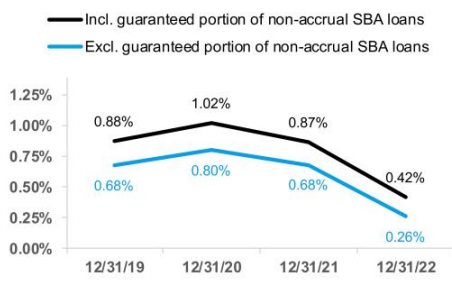
(\$ in millions)

Property Type	Balance	FL	NY Tri State	Other	Wtd. Avg. DSCR	Wtd. Avg. LTV
Office	\$ 1,875	59%	22%	19%	1.75	64.3%
Warehouse/Industrial	1,217	62%	18%	20%	2.05	52.6%
Multifamily	945	48%	52%	-	2.13	45.9%
Retail	870	64%	27%	9%	1.88	61.7%
Hotel	407	86%	6%	8%	2.13	55.1%
Construction and Land	294	49%	49%	2%	N/A	N/A
Other	92	75%	9%	16%	2.45	47.7%
	\$ 5,700	61%	26%	13%	1.95	57.0%

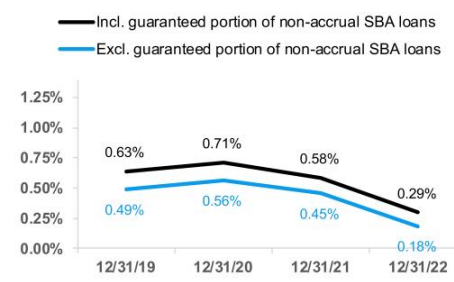
Asset Quality Metrics - Continued Positive Trends



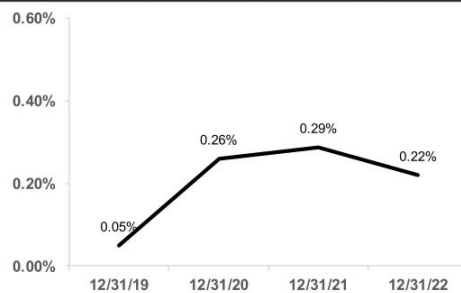
Non-performing Loans to Total Loans



Non-performing Assets to Total Assets



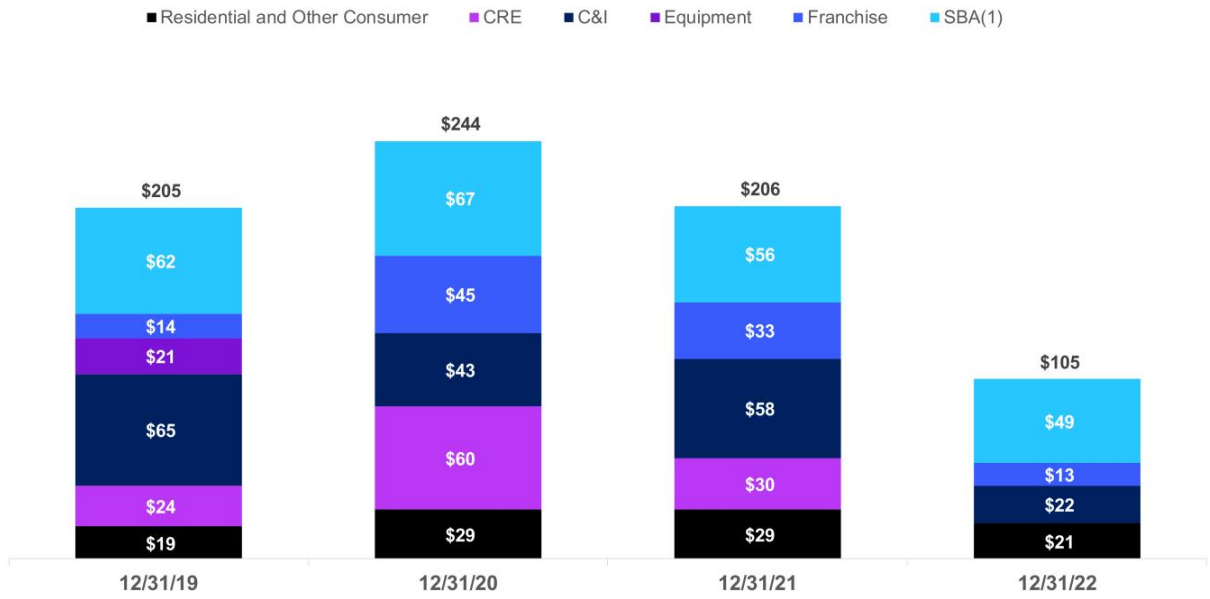
Net Charge-offs to Average Loans



Non-Performing Loans by Portfolio Segment



(\$ in millions)

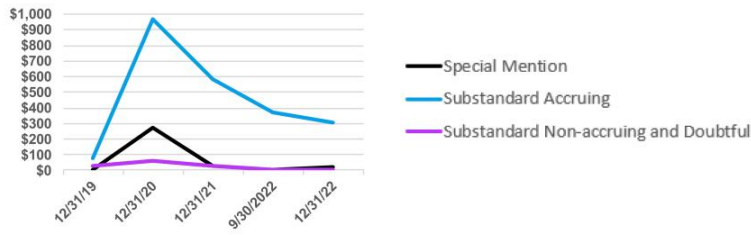


(1) Includes the guaranteed portion of non-accrual SBA loans totaling \$40.3 million, \$46.1 million, \$51.3 million, and \$45.7 million at December 31, 2022, 2021, 2020 and 2019, respectively.

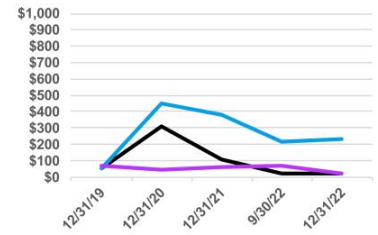
Criticized and Classified Loans (\$ in millions)



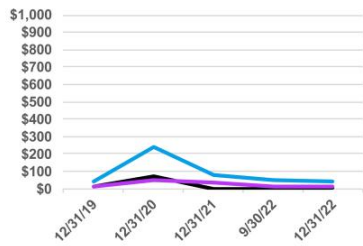
Commercial Real Estate



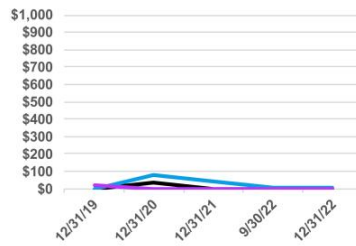
Commercial & Industrial ⁽¹⁾



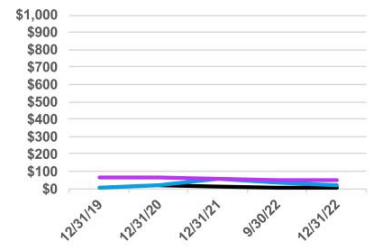
Franchise Finance⁽³⁾



Equipment Finance



SBA⁽²⁾

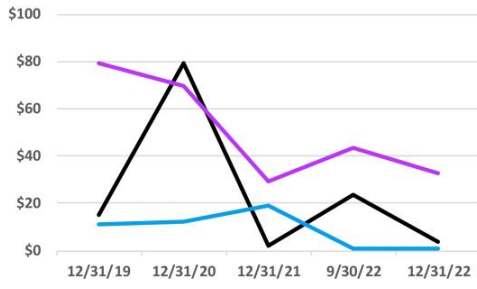


- (1) Substandard non-accruing and doubtful includes \$0.6 million, \$25.5 million, and \$27.8 million of loans rated doubtful at December 31, 2022, September 30, 2022, and December 31, 2021, respectively.
- (2) Includes the guaranteed portion of non-accrual SBA loans totaling \$40.3 million, \$41.8 million, \$46.1 million, \$51.3 million, \$45.7 million, at December 31, 2022, September 30, 2022, December 31, 2021, December 31, 2020, and December 31, 2019, respectively.
- (3) Substandard non-accruing and doubtful includes \$7.3 million, \$6.6 million, and \$20.0 million of loans rated doubtful at September 30, 2022, and December 31, 2021, respectively.

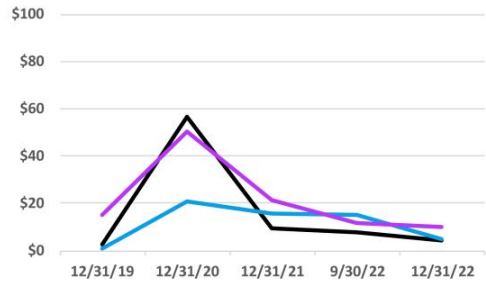
Asset Quality – Delinquencies (\$ in millions)



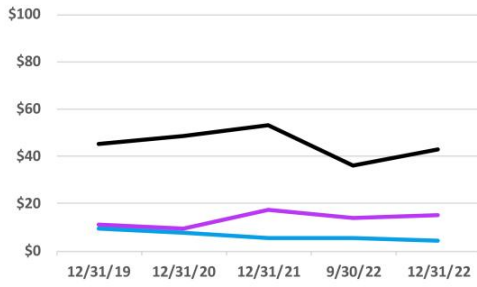
Commercial (1)



CRE



Residential (2)



— 30-59 Days PD
 — 60-89 Days PD
 — 90 Days+ PD

(1) Includes lending subsidiaries, excludes PPP loans
 (2) Excludes government insured residential loans

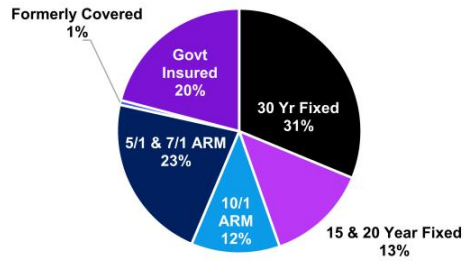
Residential Portfolio Overview

At December 31, 2022

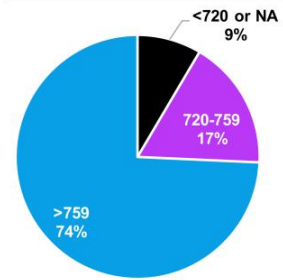


High quality residential portfolio consists primarily of prime jumbo mortgages with de-minimis charge-offs since inception as well as fully government insured assets

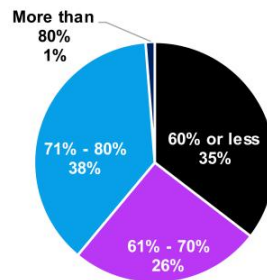
Residential Loan Product Type



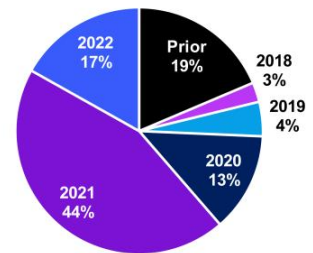
FICO Distribution⁽¹⁾



Breakdown by LTV⁽¹⁾



Breakdown by Vintage⁽¹⁾



(1) Excludes government insured residential loans. FICOs are refreshed routinely. LTVs are typically based on valuation at origination.



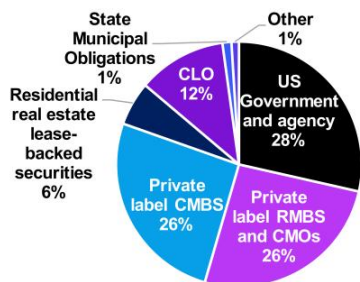
Investment Portfolio

Investment Securities AFS

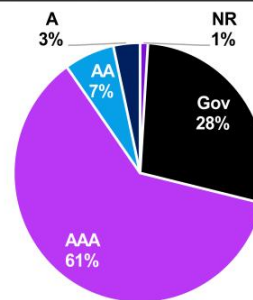
(\$ in thousands)



Portfolio Composition

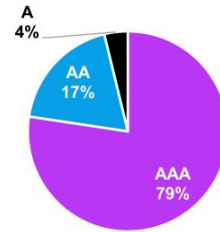
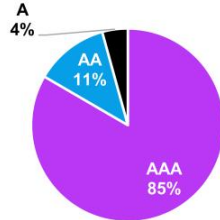
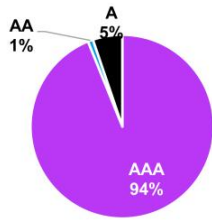


Ratings Distribution



Portfolio	December 31, 2021		September 30, 2022		December 31, 2022	
	Net Unrealized Gain(Loss)	Fair Value	Net Unrealized Loss	Fair Value	Net Unrealized Loss	Fair Value
US Government and agency	\$(3,939)	\$3,249,950	\$(142,236)	\$2,774,123	\$(145,601)	\$2,779,885
Private label RMBS and CMOs	(10,716)	2,149,420	(306,193)	2,587,586	(333,926)	2,530,663
Private label CMBS	(680)	2,604,010	(109,343)	2,583,888	(120,814)	2,524,354
Residential real estate lease-backed securities	2,123	476,968	(27,233)	478,055	(31,753)	470,441
CLOs	(931)	1,078,286	(34,541)	1,059,523	(30,375)	1,136,463
State and Municipal Obligations	16,559	222,277	(9,442)	113,524	(5,520)	116,661
Other	1,419	152,510	(6,549)	100,123	(6,218)	95,976
	\$3,835	\$9,933,421	\$(635,537)	\$9,696,822	\$(674,207)	\$9,654,443

Strong credit enhancement levels



Private Label RMBS				
Rating	Subordination			Wtd. Avg. Stress Scenario Loss
	Min	Max	Avg	
AAA	3.0	98.2	17.5	2.3
AA	18.9	33.2	24.0	5.3
A	22.1	25.5	23.0	5.4
Wtd. Avg.	4.1	94.0	17.9	2.5

Private Label CMBS				
Rating	Subordination			Wtd. Avg. Stress Scenario Loss
	Min	Max	Avg	
AAA	30.0	98.1	44.3	6.8
AA	29.3	95.8	41.7	7.5
A	25.1	69.5	38.7	8.8
Wtd. Avg.	29.7	96.7	43.8	7.0

CLOs				
Rating	Subordination			Wtd. Avg. Stress Scenario Loss
	Min	Max	Avg	
AAA	41.4	59.4	45.8	9.9
AA	31.0	40.8	34.7	8.7
A	25.6	29.4	27.0	10.3
Wtd. Avg.	39.1	55.2	43.2	9.7



#4 America's Most Trusted Companies (Banking),
Newsweek, March 2022



#3 100 Healthiest Workplaces in America,
Springbuk, October 2022

#1 Comprehensive Innovation Ranking by Customers for products, conduct, citizenship, workplace and leadership,
American Banker, November 2022

#2 Bank Reputation Ranking by Customers, *American Banker, November 2022*

#9 Bank Reputation Ranking by Non-Customers, *American Banker, November 2022*



Superior rating by *BauerFinancial* consecutively since its inception



Non-GAAP Financial Measures

PPNR is a non-GAAP financial measure. Management believes this measure is relevant to understanding the performance of the Company attributable to elements other than the provision for credit losses and the ability of the Company to generate earnings sufficient to cover estimated credit losses, particularly in view of recent volatility of the provision for credit losses. This measure also provides a meaningful basis for comparison to other financial institutions since it is commonly employed and is a measure frequently cited by investors and analysts. The following table reconciles the non-GAAP financial measure of PPNR to the comparable GAAP financial measurement of income before income taxes for the periods indicated (in thousands):

	Three Months Ended		
	December 31, 2022	September 30, 2022	December 31, 2021
Income before income taxes (GAAP)	\$ 81,792	\$ 117,083	\$ 63,531
Plus: provision for credit losses	39,608	3,720	246
PPNR (non-GAAP)	\$ 121,400	\$ 120,803	\$ 63,777

Tangible book value per common share is a non-GAAP financial measure. Management believes this measure is relevant to understanding the capital position and performance of the Company. Disclosure of this non-GAAP financial measure also provides a meaningful basis for comparison to other financial institutions as it is a metric commonly used in the banking industry. The following table reconciles the non-GAAP financial measurement of tangible book value per common share to the comparable GAAP financial measurement of book value per common share at December 31, 2022 (in thousands except share and per share data):

	<u>December 31, 2022</u>
Total stockholders' equity (GAAP)	\$ 2,435,981
Less: goodwill	<u>77,637</u>
Tangible stockholders' equity (non-GAAP)	\$ 2,358,344
Common shares issued and outstanding	<u>75,674,587</u>
Book value per common share (GAAP)	<u>\$ 32.19</u>
Tangible book value per common share (non-GAAP)	<u>\$ 31.16</u>

