



Q4 2022 – Supplemental Information

January 19, 2023

Forward-Looking Statements



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).



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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.

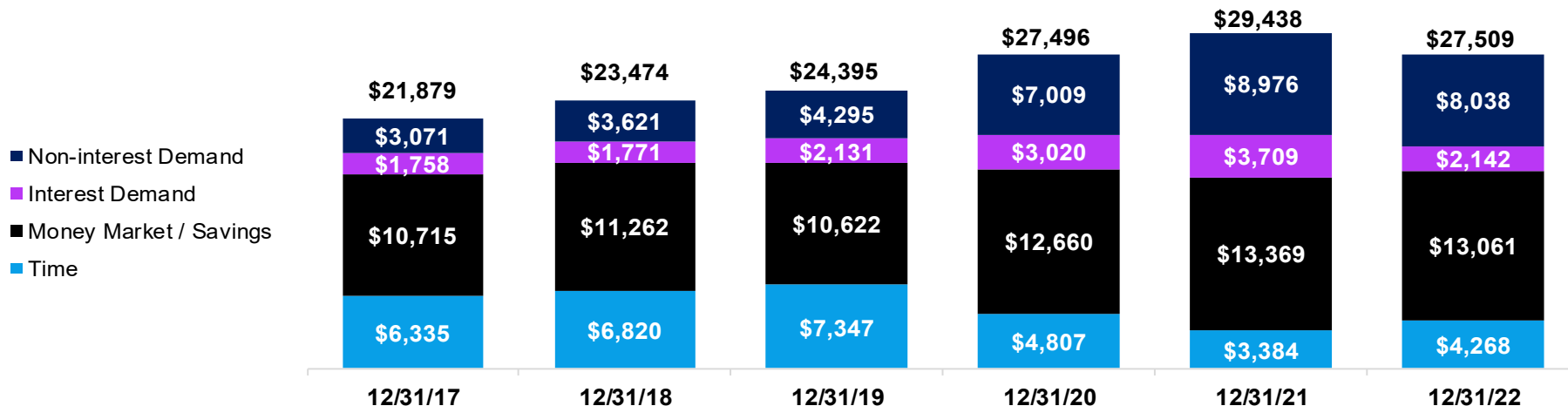
(2) Annualized for the period ended September 30, 2022.

(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%

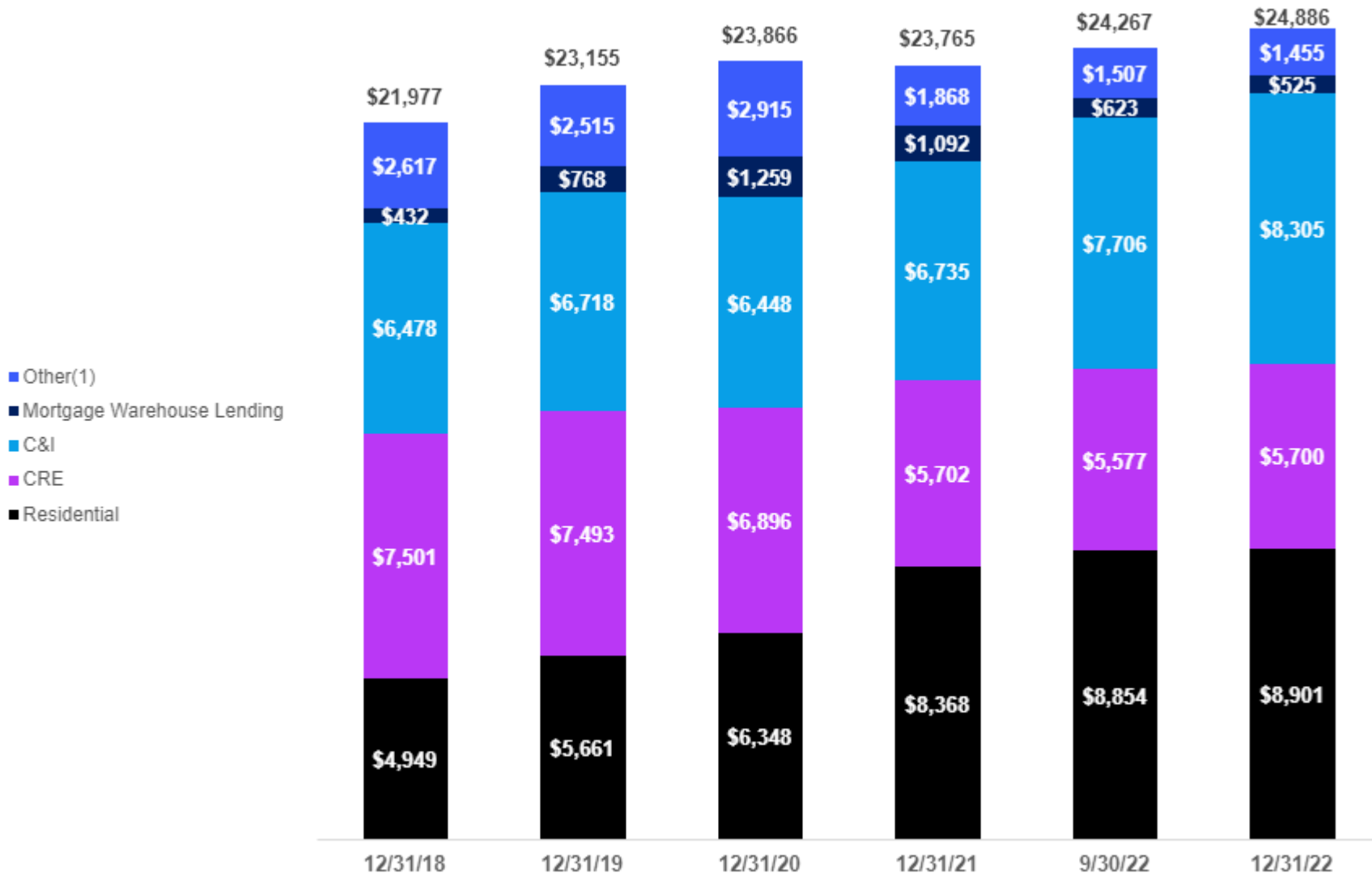
Spot Average Annual Percentage Yield ("APY")	At December 31, 2019	At December 31, 2020	At December 31, 2021	At December 31, 2022
Target Federal Funds Rate Upper Limit	1.75%	0.25%	0.25%	4.50%
Total non-maturity deposits	1.11%	0.29%	0.14%	1.83%
Total interest-bearing deposits	1.71%	0.48%	0.23%	2.66%
Total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

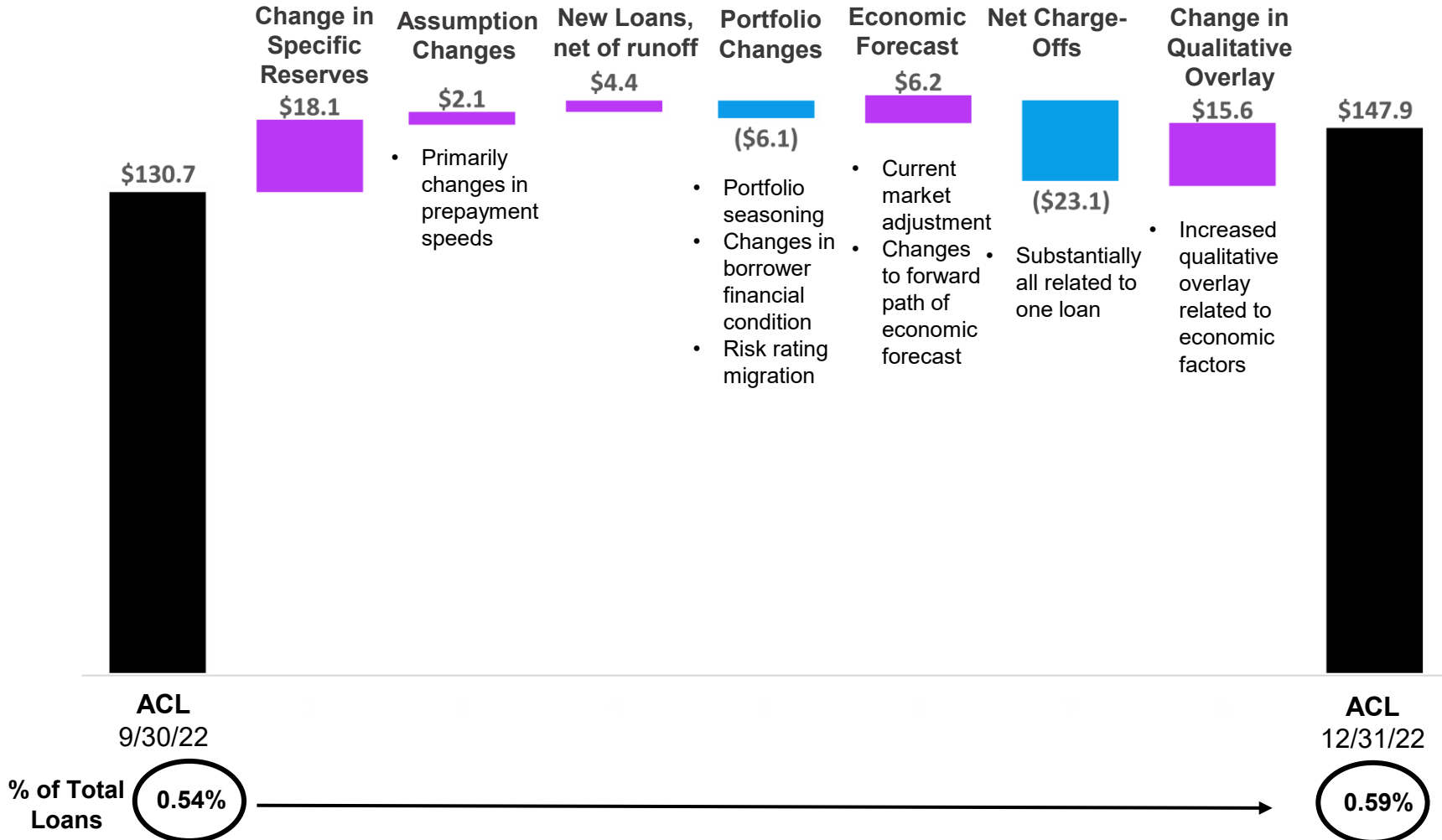


Allowance for Credit Losses

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.



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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)

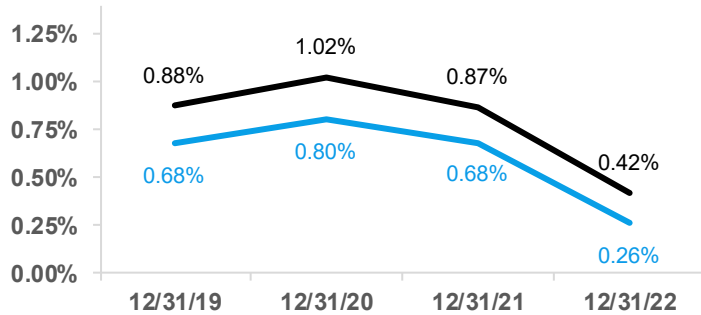
Property Type	Balance	FL	NY Tri State	Other	Wtd. Avg. DSCR	Wtd. Avg. LTV
Office	\$ 1,875	59%	22%	19%	1.75	64.3%
Warehouse/Industrial	1,217	62%	18%	20%	2.05	52.6%
Multifamily	945	48%	52%	-	2.13	45.9%
Retail	870	64%	27%	9%	1.88	61.7%
Hotel	407	86%	6%	8%	2.13	55.1%
Construction and Land	294	49%	49%	2%	N/A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



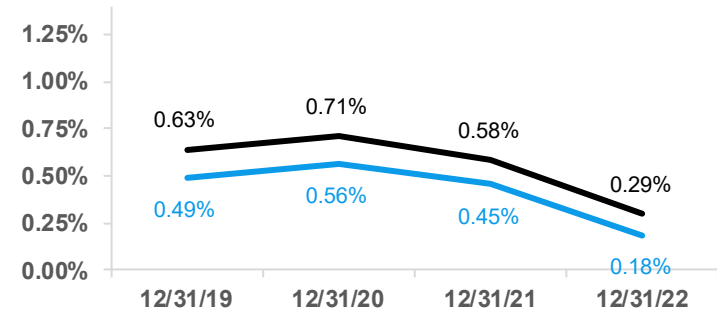
Non-performing Loans to Total Loans

- Incl. guaranteed portion of non-accrual SBA loans
- Excl. guaranteed portion of non-accrual SBA loans

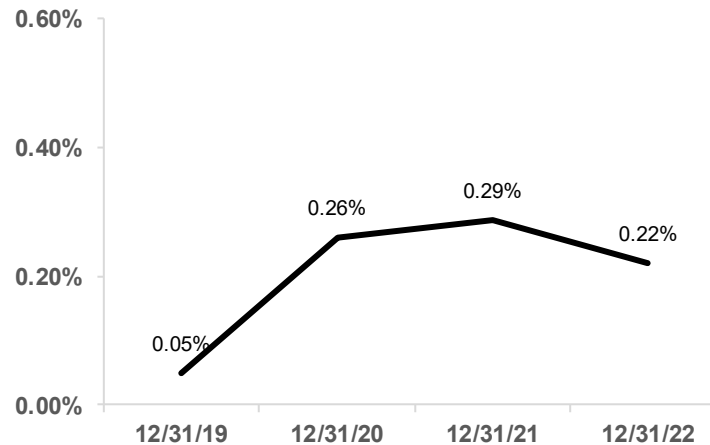


Non-performing Assets to Total Assets

- Incl. guaranteed portion of non-accrual SBA loans
- Excl. guaranteed portion of non-accrual SBA loans



Net Charge-offs to Average Loans

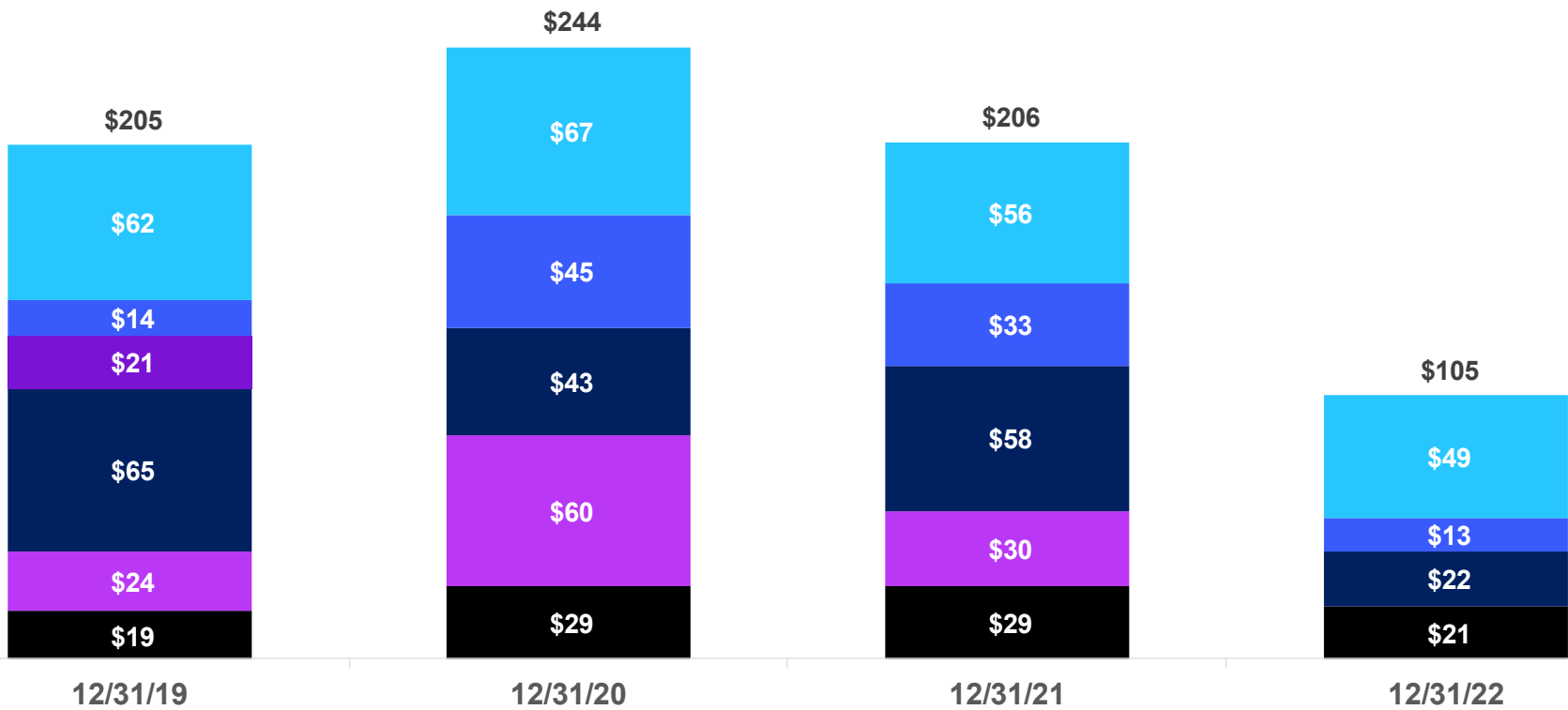


Non-Performing Loans by Portfolio Segment



(\$ in millions)

■ Residential and Other Consumer
 ■ CRE
 ■ C&I
 ■ Equipment
 ■ Franchise
 ■ SBA(1)

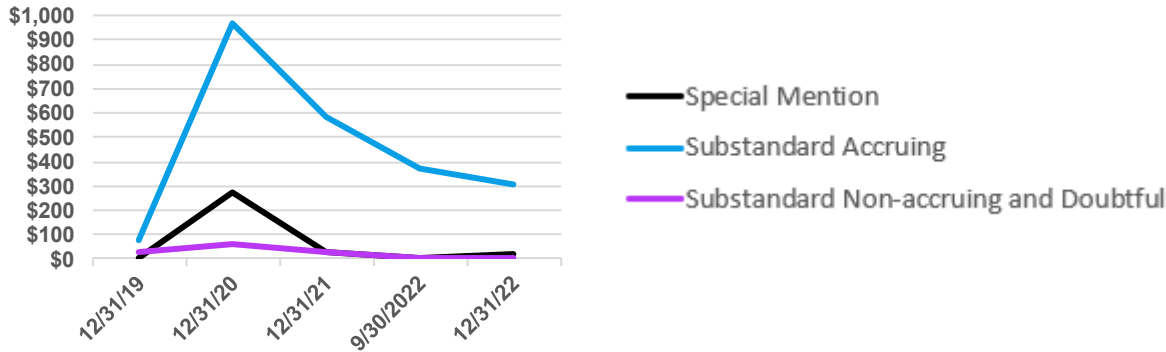


(1) Includes the guaranteed portion of non-accrual SBA loans totaling \$40.3 million, \$46.1 million, \$51.3 million, and \$45.7 million at December 31, 2022, 2021, 2020 and 2019, respectively.

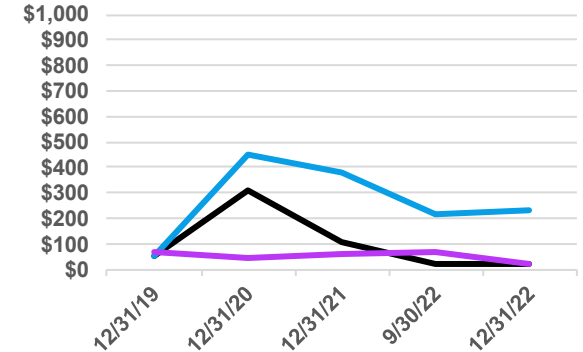
Criticized and Classified Loans (\$ in millions)



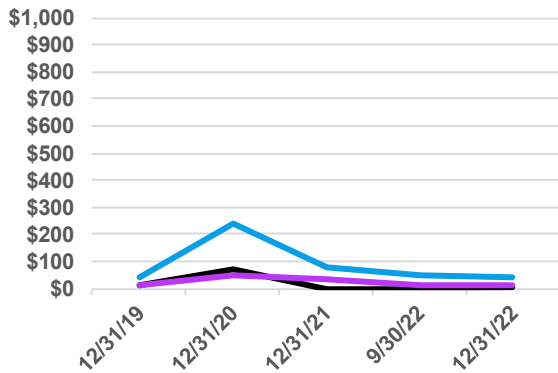
Commercial Real Estate



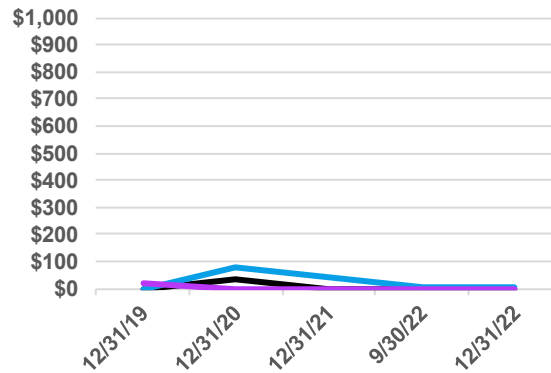
Commercial & Industrial (1)



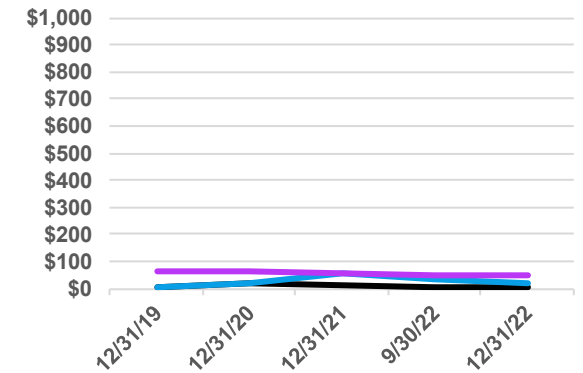
Franchise Finance(3)



Equipment Finance



SBA(2)

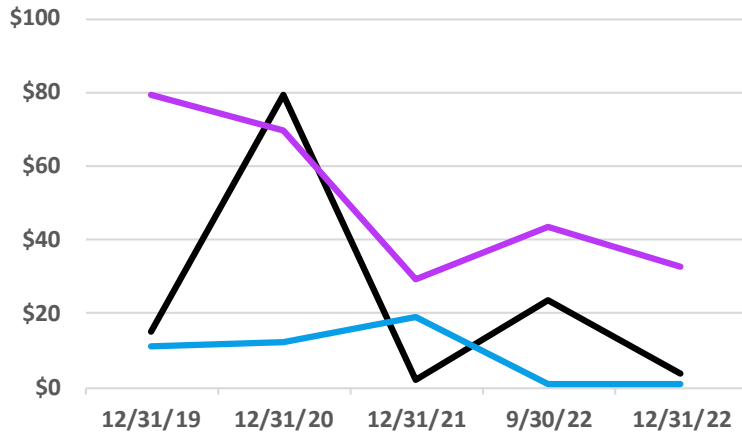


- (1) Substandard non-accruing and doubtful includes \$0.6 million, \$25.5 million, and \$27.8 million of loans rated doubtful at December 31, 2022, September 30, 2022, and December 31, 2021, respectively.
- (2) Includes the guaranteed portion of non-accrual SBA loans totaling \$40.3 million, \$41.8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

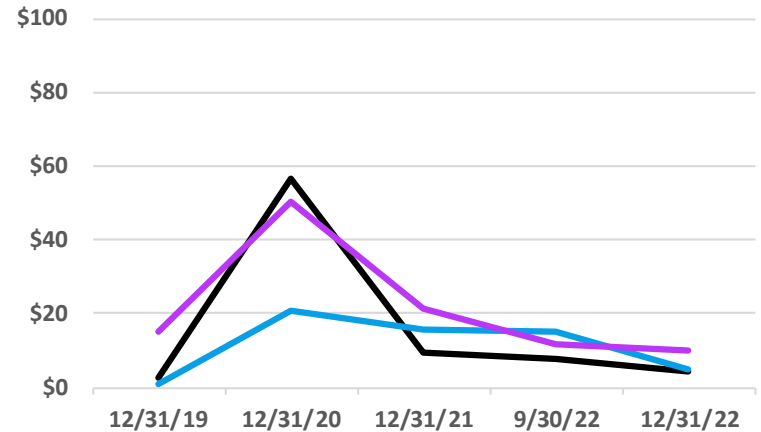
Asset Quality – Delinquencies (\$ in millions)



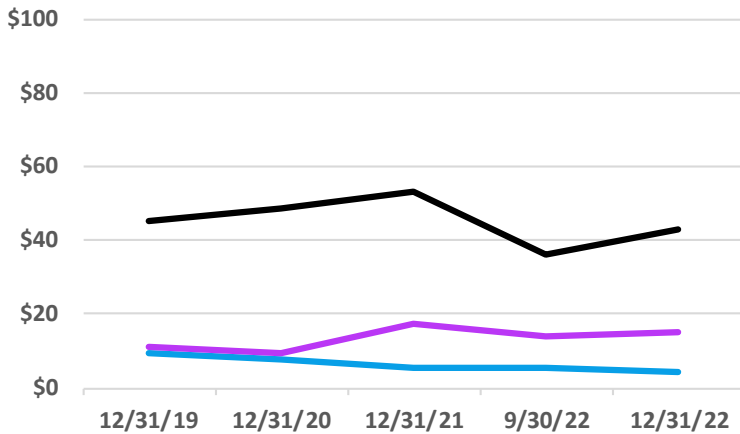
Commercial ⁽¹⁾



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

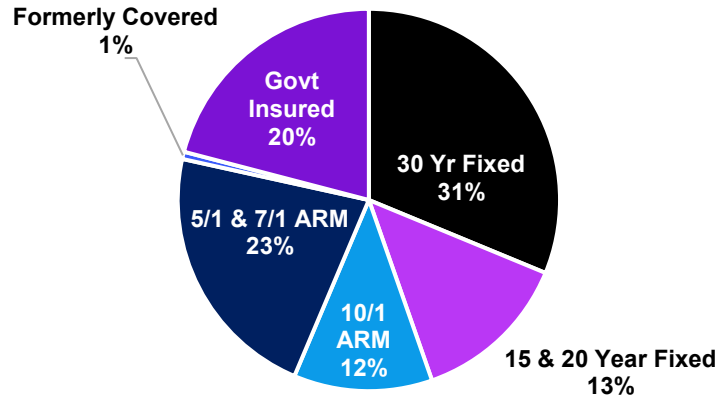
Residential Portfolio Overview

At December 31, 2022

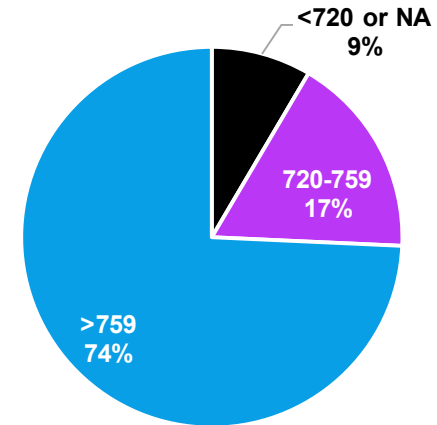


High quality residential portfolio consists primarily of prime jumbo mortgages with de-minimis charge-offs since inception as well as fully government insured assets

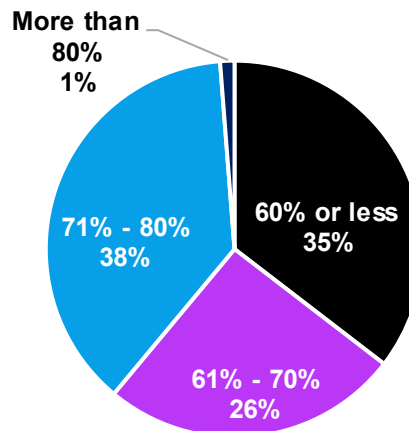
Residential Loan Product Type



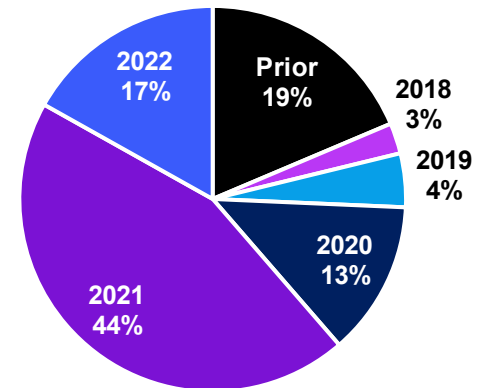
FICO Distribution⁽¹⁾



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.



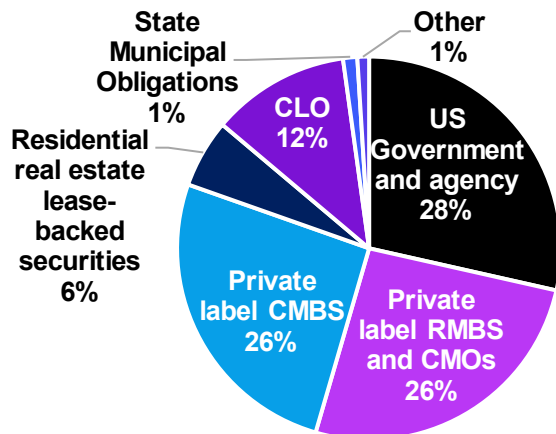
Investment Portfolio

Investment Securities AFS

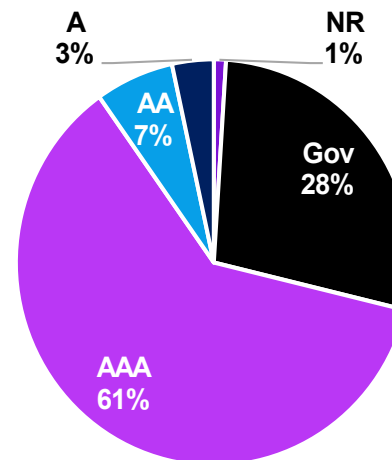
(\$ in thousands)



Portfolio Composition



Ratings Distribution



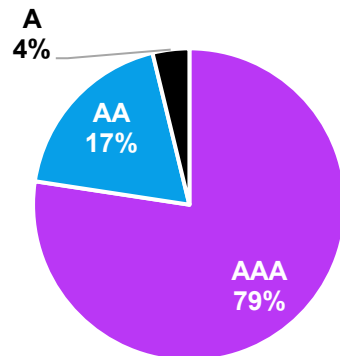
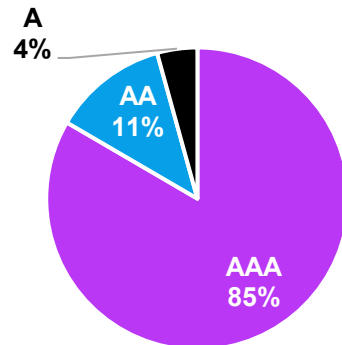
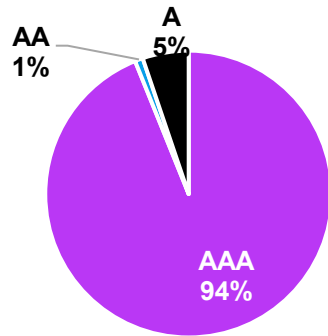
Portfolio	December 31, 2021		September 30, 2022		December 31, 2022	
	Net Unrealized Gain(Loss)	Fair Value	Net Unrealized Loss	Fair Value	Net Unrealized Loss	Fair Value
US Government and agency	\$(3,939)	\$3,249,950	\$(142,236)	\$2,774,123	\$(145,601)	\$2,779,885
Private label RMBS and CMOs	(10,716)	2,149,420	(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

Investment Securities – Asset Quality of Select Non-Agency Securities

At December 31, 2022



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

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

Non-GAAP Financial Measures



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>