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): April 29, 2020 **(April 29, 2020)**

BankUnited, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-35039**	**27-0162450**
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

14817 Oak Lane,	**Miami Lakes,**	**FL**	**33016**
(Address of principal executive offices)			(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	**Trading Symbol**	**Name of Exchange on Which Registered**
Common Stock, $0.01 Par Value	BKU	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 April 29, 2020, BankUnited, Inc. (the "Company") reported its results for the quarter ended March 31, 2020. 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 8.01 Other Events.

The following risk factor supplements the disclosure in the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019. As used in the risk factor, the terms the "Company," "we," "us," and "our" refer to BankUnited, Inc. and its subsidiaries unless the context otherwise requires.

The COVID-19 pandemic has caused substantial disruption to the global economy which has adversely affected, and is expected to continue to adversely affect, the Company's business and results of operations. The future impacts of the COVID-19 pandemic on the global economy and the Company's business, results of operations and financial condition remains uncertain.

In March 2020, the World Health Organization declared novel coronavirus disease 2019 (COVID-19) as a global pandemic. The pandemic has resulted in governmental authorities implementing numerous measures attempting to contain the spread and impact of COVID-19 such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activities, including in major markets in which the Company and its clients are located or do business. The COVID-19 pandemic, and governmental responses to the pandemic, have severely negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets, and increased unemployment levels.

This macroeconomic environment has had, and could continue to have, an adverse effect on the Company's business and operations. Should current economic impacts persist or continue to deteriorate, this macroeconomic environment could have a continued adverse effect on our business and operations, including, but not limited to, decreased demand for the Company's products and services, protracted periods of lower interest rates, loss of income resulting from forbearances, deferrals and fee waivers provided by the Company to its consumer and commercial borrowers, increased credit losses due to deterioration in the financial condition of our consumer and commercial borrowers, including declining asset and collateral values, which may continue to increase our provision for credit losses and net charge-offs and possible constraints on liquidity and capital, whether due to increases in risk-weighted assets related to supporting client activities or to regulatory actions. The business operations of the Company may also be disrupted if significant portions of its workforce or those of vendors or third-party service providers are unable to work effectively, including because of illness, quarantines, government actions, restrictions in connection with the pandemic, and technology limitations and/or disruptions. The Company also faces an increased risk of litigation and governmental and regulatory scrutiny as a result of the effects of the pandemic on market and economic conditions and actions taken by governmental authorities in response to those conditions.

The extent to which the COVID-19 pandemic impacts the Company's business, results of operations, and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, which are highly uncertain, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. Moreover, the effects of the COVID-19 pandemic may heighten many of the other risks described in the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K including, but not limited to, financial market conditions, economic conditions, credit risk, interest rate risk, risk of security breaches and technology changes.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release dated April 29, 2020
99.2	Supplemental information relating to the press release dated April 29, 2020

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:	April 29, 2020	BANKUNITED, INC.		
		/s/ Leslie N. Lunak		
		Name:	Leslie N. Lunak	
		Title:	Chief Financial Officer	

EXHIBIT INDEX

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BANKUNITED, INC. REPORTS FIRST QUARTER 2020 RESULTS

Miami Lakes, Fla. — April 29, 2020 — BankUnited, Inc. (the “Company”) (NYSE: BKU) today announced financial results for the quarter ended March 31, 2020.

“The COVID-19 pandemic has altered life as we know it. While extraordinary changes in the economic backdrop and the implications of the COVID-19 outbreak had a material impact on our provision for credit losses this quarter, BankUnited’s capital and liquidity positions are strong. We are prepared to navigate these challenging circumstances and are intently focused on doing what we can to support our customers, communities and employees in these unprecedented times. I would be remiss not to add that I am extremely proud of the commitment demonstrated by our employees, many of whom have been working around the clock to help our clients during this difficult time. I am confident we will emerge stronger on the other side of this pandemic, well positioned to partner with our customers as they chart a path forward,” said Rajinder Singh, Chairman, President and Chief Executive Officer.

For the quarter ended March 31, 2020, the Company reported a net loss of $(31.0) million, or $(0.33) per diluted share, compared to net income of $66.0 million, or $0.65 per diluted share, for the quarter ended March 31, 2019. Results for the quarter ended March 31, 2020 were negatively impacted by the application of the Current Expected Credit Losses ("CECL") accounting methodology, including the expected impact of COVID-19 on the provision for credit losses.

Our Response to the COVID-19 Pandemic

The COVID-19 pandemic has caused substantial disruption to the global economy and the communities we serve. In response to the pandemic, we have:

- Prioritized the well-being of our employees, operational resilience, liquidity, support to our customers, and asset quality.
- Activated our business continuity and contingency funding plans.
- Enabled 79% of our total employees, and 97% of our non-branch employees, to work remotely. We have not experienced any significant operational issues or disruptions in customer service as a result.
- Expanded certain employee benefits and launched a number of programs to keep our employees healthy and engaged.
- Implemented modified service models for all of our branches. To promote social distancing, customers are being served in these branches through drive through or lobby appointments only, and in some cases, with reduced hours. 24% of our retail branches are temporarily closed based on customer traffic counts and staffing levels.
- Supported our clients through participating in the Small Business Administration’s Paycheck Protection Program ("PPP"), and granting forbearance, deferrals and fee waivers on a case-by-case basis.
- Enhanced daily monitoring of liquidity trends and deposit flows, and confirmed and optimized sources of contingent liquidity.
- Pro-actively reached out to all of our borrowers with total credit exposure of $5 million or more, and to all borrowers in certain high-risk segments to assess the potential impact of COVID-19.
- Segregated certain segments of the loan portfolio for enhanced monitoring, including franchise finance, hotels and retail.
- Augmented our stress testing protocols.

We remain confident in our long-term underlying strength and stability, and our ability to navigate these challenging conditions.

Financial Highlights

- The Company and its banking subsidiary exceeded all regulatory guidelines required to be considered well capitalized at March 31, 2020. The Company's and the Bank's CET1 risk-based capital ratios were 11.8% and 12.9% at March 31, 2020, respectively. The Company's and the Bank's Tier 1 leverage ratios were 8.5% and 9.3% at March 31, 2020, respectively.

- Our liquidity position remains strong. At March 31, 2020, the Bank had total same day available liquidity of approximately $8.5 billion.

- Non-interest bearing demand deposits grew by $305 million for the quarter ended March 31, 2020, to 18.4% of total deposits at March 31, 2020 compared to 17.6% of total deposits at December 31, 2019 and 15.9% of total deposits one year ago. Total deposits grew by $606 million for the quarter ended March 31, 2020.

- The average cost of total deposits declined to 1.36% for the quarter ended March 31, 2020, from 1.48% for the immediately preceding quarter ended December 31, 2019, and 1.67% for the quarter ended March 31, 2019. On a spot basis, the average annual percentage yield ("APY") on total interest-bearing deposits declined to 1.35% at March 31, 2020 from 1.71% at December 31, 2019, reflecting recent actions taken to reduce the cost of deposits.

- The provision for credit losses totaled $125.4 million for the quarter ended March 31, 2020, reflecting the application of the CECL methodology and encompassing the expected economic impact of the COVID-19 pandemic. The provision included approximately $93 million related to changes in the economic forecast since the initial adoption of CECL on January 1, 2020 and was impacted by an increase of approximately $16 million in specific reserves during the quarter. Most of the increase in specific reserves related to credits in the franchise finance portfolio segment. The provision for credit losses, excluding the portion related to unfunded commitments, was 0.53% of average loans for the quarter ended March 31, 2020. For the quarter ended March 31, 2019, the Company recorded a provision for loan losses, under the incurred loss model, of $10.3 million.

- The Allowance for Credit Losses ("ACL") represented our current estimate of expected lifetime credit losses from the loan portfolio and totaled $251 million, or 1.08% of total loans, at March 31, 2020. Upon initial adoption of CECL, at January 1, 2020, the ACL was 0.59% of total loans and at December 31, 2019, calculated under an incurred loss methodology, the ACL was 0.47% of total loans.

- Pre-tax, pre-provision income totaled $85.0 million for the quarter ended March 31, 2020 compared to $100.5 million for the quarter ended March 31, 2019. Pre-tax, pre-provision income for the quarter ended March 31, 2020 included a $5.0 million unrealized loss on marketable equity securities, resulting from the impact on markets of the COVID-19 crisis. Inclusive of this $5.0 million unrealized loss, loss on investment securities was $(3.5) million for the quarter ended March 31, 2020 compared to a gain on investment securities of $5.8 million for the comparable quarter of the prior year, a negative variance of $9.2 million. Additional factors contributing to the decline in pre-tax, pre-provision income were a $10.3 million decline in net interest income, discussed further below, partially offset by a $7.8 million decrease in total non-interest expense.

- The net interest margin, calculated on a tax-equivalent basis, was 2.35% for the quarter ended March 31, 2020, compared to 2.41% for the immediately preceding quarter ended December 31, 2019 and 2.54% for the quarter ended March 31, 2019. Both yields on interest earning assets and the cost of interest bearing liabilities declined for the quarter ended March 31, 2020 as compared to the quarters ended December 31, 2019 and March 31, 2019; however, the repricing of interest bearing liabilities, particularly deposits, lagged the repricing of interest earning assets.

- Stockholders' equity was impacted by a decline of $291.8 million in accumulated other comprehensive income for the quarter ended March 31,2020, attributed to an increase in unrealized losses on investment securities available for sale and derivative instruments. The Company currently expects to recover the amortized cost basis of its available for sale securities portfolio. Share repurchases totaling approximately $101 million during the quarter ended March 31, 2020 also impacted stockholders' equity. As previously reported, the Company has temporarily suspended its share repurchase program.

- As previously reported, the Company announced an increase of $0.02 in its quarterly cash dividend to $0.23 per common share, reflecting a 10% increase from the previous quarterly cash dividend of $0.21 per common share.

Capital

The Company's and BankUnited, N.A.'s regulatory capital ratios at March 31, 2020 and December 31, 2019 were as follows:

	March 31, 2020		December 31, 2019		Required to be Considered Well Capitalized
	BankUnited, Inc.	BankUnited, N.A.	BankUnited, Inc.	BankUnited, N.A.	
Tier 1 leverage	8.5%	9.3%	8.9%	9.3%	5.0%
Common Equity Tier 1 ("CET1") risk-based capital	11.8%	12.9%	12.3%	12.9%	6.5%
Total risk-based capital	12.6%	13.7%	12.8%	13.4%	10.0%

As permitted by a recently issued inter-agency interim final rule, the Company has elected the option to temporarily delay the effects of the adoption of CECL on regulatory capital for two years, followed by a three-year transition period. On a fully phased in basis, at March 31, 2020, the Company's and the Bank's CET1 risk-based capital ratios would have been 11.5% and 12.6%, respectively.

The primary reason for the decline in the Company's regulatory capital ratios from December 31, 2019 to March 31, 2020 was share repurchases executed during the first quarter. During the quarter ended March 31, 2020, the Company repurchased approximately 3.3 million shares of its common stock for an aggregate purchase price of $101 million, at a weighted average price of $30.36 per share.

Liquidity

BankUnited's liquidity position remains strong. At March 31, 2020, same day available liquidity totaled approximately $8.5 billion, including cash, borrowing capacity at the Federal Home Loan Bank of Atlanta and the Federal Reserve Discount Window and Federal Funds lines of credit. Additional sources of liquidity include cash flows from operations, wholesale deposits, cash flow from the Bank's amortizing securities and loan portfolios. At March 31, 2020, BankUnited had available borrowing capacity at the Federal Home Loan Bank of $4.5 billion, unused borrowing capacity at the Federal Reserve of $3.3 billion and unused Federal funds lines of credit totaling $225 million. The Bank utilizes the Federal Reserve's Paycheck Protection Program Liquidity Facility to provide liquidity to fund PPP loans.

Asset Quality and the Allowance for Credit Losses

Effective January 1, 2020, the Company adopted the Current Expected Credit Losses ("CECL") methodology for estimating its ACL as prescribed by Accounting Standards Codification ("ASC") 326. This accounting standard establishes a single framework for estimating expected credit losses for all financial assets carried at amortized cost and certain off-balance sheet credit exposures. The framework requires that management's estimate reflect expected credit losses over the remaining lives of financial instruments and consider historical events, current conditions and reasonable and supportable economic forecasts.

The following table presents the ACL at the dates indicated, related ACL coverage ratios, as well as net charge-off rates for the quarter ended March 31, 2020 and the year ended December 31, 2019 (dollars in thousands):

	ACL	ACL to Total Loans	ACL to Non-Performing Loans	Net Charge-offs to Average Loans
December 31, 2019 (incurred loss)	$ 108,671	0.47%	53.07%	0.05%
January 1, 2020 (initial date of CECL adoption)	$ 135,976	0.59%	66.4%	N/A
March 31, 2020 (expected loss)	$ 250,579	1.08%	126.41%	0.13%

The Company based its reasonable and supportable forecast used in estimating the ACL at March 31, 2020 on Moody's March Mid-Cycle Baseline forecast dated March 27, 2020. This forecast incorporated a number of macroeconomic variables and other data and featured a peak-to-trough drop of approximately 20% in real GDP and a national unemployment rate approaching 9% in the second quarter 2020, with recovery beginning in the second half of 2020. For the quarter ended March 31, 2020, the Company recorded a provision for credit losses of $125.4 million, which included $3.6 million related to unfunded loan commitments.

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

	Three Months Ended March 31,	
	2020	2019
Beginning balance	$ 108,671	$ 109,931
Cumulative effect of adoption of CECL	27,305	—
Balance after adoption of CECL	135,976	109,931
Provision	121,865	10,281
Charge-offs	(7,806)	(6,133)
Recoveries	544	624
Ending balance	$ 250,579	$ 114,703

Non-performing loans totaled $198.2 million or 0.85% of total loans at March 31, 2020, compared to $204.8 million or 0.88% of total loans at December 31, 2019. Non-performing loans included $49.1 million and $45.7 million of the guaranteed portion of SBA loans on non-accrual status, representing 0.21% and 0.20% of total loans at March 31, 2020 and December 31, 2019, respectively.

The following table shows the composition of the Company's criticized and classified commercial loans at the dates indicated (dollars in thousands):

	March 31, 2020	December 31, 2019
Special Mention	$ 288,148	$ 72,881
Substandard accruing	238,786	180,380
Substandard non-accruing	181,278	185,906
Total criticized and classified	$ 708,212	$ 439,167
Percent of total loans	3.10%	1.90%

The increase in special mention and substandard accruing loans was primarily attributed to downgrades in the Bridge franchise finance portfolio during the quarter ended March 31, 2020.

Loans and Leases

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

	March 31, 2020		December 31, 2019	
Residential and other consumer loans	$ 5,634,823	24.4%	$ 5,661,119	24.5%
Multi-family	1,967,578	8.5%	2,217,705	9.6%
Non-owner occupied commercial real estate	4,987,798	21.5%	5,030,904	21.7%
Construction and land	222,223	1.0%	243,925	1.1%
Owner occupied commercial real estate	2,026,510	8.7%	2,062,808	8.9%
Commercial and industrial	5,008,573	21.6%	4,655,349	20.1%
Pinnacle	1,187,607	5.0%	1,202,430	5.2%
Bridge - franchise finance	647,699	2.8%	627,482	2.6%
Bridge - equipment finance	649,154	2.8%	684,794	3.0%
Mortgage warehouse lending	852,313	3.7%	768,472	3.3%
	$ 23,184,278	100.0%	$ 23,154,988	100.0%
Operating lease equipment, net	$ 684,563		$ 698,153	

For the quarter ended March 31, 2020, total loans grew by $29 million. Commercial and industrial loans grew by $353 million and mortgage warehouse outstandings increased by $84 million due to increased utilization. The decline in multi-family balances was driven primarily by continued runoff of the New York portfolio. Residential activity for the quarter included purchases of approximately $286 million in GNMA early buyout loans, offset by approximately $202 million in re-poolings and paydowns. The core portfolio experienced a net decline of approximately $111 million driven by higher prepayment speeds in the current rate environment.

The following table presents loan portfolio sub-segments that, in light of current circumstances, have been identified for enhanced monitoring as of March 31, 2020 (dollars in thousands):

	March 31, 2020	
	Amount	% of Total Loans
Retail exposure in the CRE portfolio	$ 1,446,599	6.2%
Retail exposure in the C&I portfolio [1]	346,915	1.5%
Bridge - franchise finance	647,699	2.8%
Hotel	619,482	2.7%
Airlines	84,649	0.4%
Cruise lines	71,374	0.3%
Energy	46,348	0.2%
	$ 3,263,066	14.1%

(1) Includes $216 million of owner-occupied commercial real estate loans.

There is also exposure to energy in the operating lease portfolio, primarily railcars, totaling $291 million at March 31, 2020.

Investment Securities

Investment securities totaled $7.9 billion at March 31, 2020 compared to $7.8 billion at December 31, 2019, substantially all of which were available for sale ("AFS"). The AFS portfolio was in a net unrealized loss position of $249.8 million at March 31, 2020, compared to a net unrealized gain position of $38.3 million at December 31, 2019. Unrealized losses were primarily attributable to spread widening. The majority of the unrealized losses at March 31, 2020 related to the private label commercial mortgage backed security ("CMBS") and collateralized loan obligation ("CLO") portfolio segments. The CMBS and CLO portfolio segments, which totaled $1.6 billion and $1.1 billion at March 31, 2020, respectively, were in net unrealized loss positions of $123.8 million and $74.7 million, respectively. The Company monitors its AFS securities at the individual security level to evaluate whether any of the unrealized losses are indicative of credit losses. At March 31, 2020, our security level analysis incorporated assumptions about underlying collateral defaults, delinquencies, severity and other relevant factors generally consistent with those observed at the most severe point in the global financial crisis. Based on this analysis, due in large part to the level of credit enhancement provided by the structure of these securities, none of the AFS securities were determined to be credit loss impaired.

Net interest income

Net interest income for the quarter ended March 31, 2020 decreased to $180.6 million from $190.9 million for the quarter ended March 31, 2019 and $185.3 million for the immediately preceding quarter ended December 31, 2019. Interest income and interest expense decreased by $27.7 million and $17.4 million, respectively, for the quarter ended March 31, 2020 compared to the quarter ended March 31, 2019 and by $15.3 million and $10.5 million, respectively, compared to the immediately preceding quarter. Decreases in both interest income and expense are primarily a result of decreases in benchmark interest rates.

The Company’s net interest margin, calculated on a tax-equivalent basis, decreased to 2.35% for the quarter ended March 31, 2020, from 2.41% for the immediately preceding quarter ended December 31, 2019, and 2.54% for the quarter ended March 31, 2019. Declines in yields on interest earning assets outpaced declines in average rates on interest bearing liabilities, at least in part because repricing of deposits lagged repricing of interest earning assets.

Significant factors contributing to these declines in the net interest margin included:

- The tax-equivalent yield on loans decreased to 4.18% for the quarter ended March 31, 2020, from 4.27% for the quarter ended December 31, 2019 and 4.50% for the quarter ended March 31, 2019. The most significant factor contributing to these decreases was the impact of decreases in benchmark interest rates.

- The tax-equivalent yield on investment securities decreased to 2.81% for the quarter ended March 31, 2020 from 3.18% for the quarter ended December 31, 2019 and 3.64% for the quarter ended March 31, 2019. The most significant factors contributing to these decreases were the impact of decreases in benchmark interest rates and, to a lesser extent, increased prepayment speeds.

- The average rate on interest bearing liabilities decreased to 1.82% for the quarter ended March 31, 2020 from 1.96% for the quarter ended December 31, 2019 and 2.10% for the quarter ended March 31, 2019, reflecting lower average rates on interest bearing deposits, short term borrowings and FHLB advances. Decreases in the cost of interest bearing liabilities primarily reflect decreases in benchmark interest rates.

For the quarter ended March 31, 2020 the increase in average non-interest bearing demand deposits as a percentage of total deposits positively impacted the net interest margin.

Non-interest income

Non-interest income totaled $23.3 million for the quarter ended March 31, 2020 compared to $36.3 million for the quarter ended March 31, 2019.

The most significant factor contributing to the decrease in non-interest income for the quarter ended March 31, 2020 compared to the quarter ended March 31, 2019 was the decrease of $9.2 million in gain (loss) on investment securities. The loss on investment securities for the quarter ended March 31, 2020 included $5.0 million of unrealized losses on marketable equity securities offset by $1.5 million in realized gains on available for sale securities.

Non-interest expense

Non-interest expense totaled $118.9 million for the quarter ended March 31, 2020 compared to $126.7 million for the quarter ended March 31, 2019.

Significant factors contributing to the decrease in non-interest expense for the quarter ended March 31, 2020 compared to the quarter ended March 31, 2019 included:

- Employee compensation and benefits decreased by $6.3 million, primarily due to a reduction in headcount and a decrease in equity based compensation expense related to the impact of a declining stock price on liability-classified awards.

- Professional fees decreased by $4.7 million, primarily due to the consulting services in 2019 related to our BankUnited 2.0 initiative.

Earnings Conference Call and Presentation

A conference call to discuss quarterly results will be held at 9:00 a.m. ET on Wednesday, April 29, 2020 with Chairman, President and Chief Executive Officer, Rajinder P. Singh, and Chief Financial Officer, Leslie N. Lunak.

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. The call may be accessed via a live Internet webcast at www.bankunited.com or through a dial in telephone number at (855) 798-3052 (domestic) or (234) 386-2812 (international). The name of the call is BankUnited, Inc. and the confirmation number for the call is 4568078. A replay of the call will be available from 12:00 p.m. ET on April 29th through 11:59 p.m. ET on May 6th by calling (855) 859-2056 (domestic) or (404) 537-3406 (international). The pass code for the replay is 4568078. An archived webcast will also be available on the Investor Relations page of www.bankunited.com.

About BankUnited, Inc.

BankUnited, Inc., with total assets of $33.6 billion at March 31, 2020, is the bank holding company of BankUnited, N.A., a national bank headquartered in Miami Lakes, Florida with 74 banking centers in 14 Florida counties and 5 banking centers in the New York metropolitan area at March 31, 2020.

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 the COVID-19 pandemic. 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, 2019 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
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Investor Relations:
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Source: BankUnited, Inc.

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

	March 31, 2020	December 31, 2019
ASSETS		
Cash and due from banks:		
Non-interest bearing	$ 8,905	$ 7,704
Interest bearing	757,793	206,969
Cash and cash equivalents	766,698	214,673
Investment securities (including securities recorded at fair value of $7,864,601 and $7,759,237)	7,874,601	7,769,237
Non-marketable equity securities	281,714	253,664
Loans held for sale	17,655	37,926
Loans	23,184,278	23,154,988
Allowance for credit losses	(250,579)	(108,671)
Loans, net	22,933,699	23,046,317
Bank owned life insurance	288,869	282,151
Operating lease equipment, net	684,563	698,153
Goodwill and other intangible assets	77,663	77,674
Other assets	670,209	491,498
Total assets	$ 33,595,671	$ 32,871,293
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Demand deposits:		
Non-interest bearing	$ 4,599,337	$ 4,294,824
Interest bearing	2,535,696	2,130,976
Savings and money market	10,323,899	10,621,544
Time	7,541,839	7,347,247
Total deposits	25,000,771	24,394,591
Federal funds purchased	—	100,000
Federal Home Loan Bank advances	5,144,409	4,480,501
Notes and other borrowings	428,579	429,338
Other liabilities	505,783	486,084
Total liabilities	31,079,542	29,890,514
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value $0.01 per share, 400,000,000 shares authorized; 92,406,294 and 95,128,231 shares issued and outstanding	924	951
Paid-in capital	987,757	1,083,920
Retained earnings	1,851,040	1,927,735
Accumulated other comprehensive loss	(323,592)	(31,827)
Total stockholders' equity	2,516,129	2,980,779
Total liabilities and stockholders' equity	$ 33,595,671	$ 32,871,293

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Interest income:		
Loans	$ 234,359	$ 240,632
Investment securities	56,060	76,345
Other	3,720	4,852
Total interest income	294,139	321,829
Interest expense:		
Deposits	82,822	97,421
Borrowings	30,741	33,507
Total interest expense	113,563	130,928
Net interest income before provision for credit losses	180,576	190,901
Provision for credit losses	125,428	10,281
Net interest income after provision for credit losses	55,148	180,620
Non-interest income:		
Deposit service charges and fees	4,186	3,830
Gain on sale of loans, net	3,466	2,936
Gain (loss) on investment securities, net	(3,453)	5,785
Lease financing	15,481	17,186
Other non-interest income	3,618	6,518
Total non-interest income	23,298	36,255
Non-interest expense:		
Employee compensation and benefits	58,887	65,233
Occupancy and equipment	12,369	13,166
Deposit insurance expense	4,403	4,041
Professional fees	3,204	7,871
Technology and telecommunications	12,596	11,168
Depreciation of operating lease equipment	12,603	11,812
Other non-interest expense	14,806	13,399
Total non-interest expense	118,868	126,690
Income (loss) before income taxes	(40,422)	90,185
Provision (benefit) for income taxes	(9,471)	24,213
Net income (loss)	$ (30,951)	$ 65,972
Earnings (loss) per common share, basic	$ (0.33)	$ 0.65
Earnings (loss) per common share, diluted	$ (0.33)	$ 0.65

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

	Three Months Ended March 31,					
	2020			2019		
	Average Balance	Interest (1)(2)	Yield/ Rate (1)(2)	Average Balance	Interest (1)(2)	Yield/ Rate (1)(2)
Assets:						
Interest earning assets:						
Loans	$ 22,850,065	$ 238,108	4.18%	$ 21,974,453	$ 245,010	4.50%
Investment securities (3)	8,107,649	56,951	2.81%	8,520,555	77,607	3.64%
Other interest earning assets	646,628	3,720	2.31%	496,141	4,852	3.96%
Total interest earning assets	31,604,342	298,779	3.79%	30,991,149	327,469	4.26%
Allowance for credit losses	(138,842)			(111,074)		
Non-interest earning assets	1,749,752			1,603,922		
Total assets	$ 33,215,252			$ 32,483,997		
Liabilities and Stockholders' Equity:						
Interest bearing liabilities:						
Interest bearing demand deposits	$ 2,173,628	6,959	1.29%	$ 1,702,479	5,639	1.34%
Savings and money market deposits	10,412,202	37,756	1.46%	11,453,980	52,817	1.87%
Time deposits	7,510,070	38,107	2.04%	6,907,011	38,965	2.29%
Total interest bearing deposits	20,095,900	82,822	1.66%	20,063,470	97,421	1.97%
Short term borrowings	94,066	367	1.56%	137,378	824	2.40%
FHLB advances	4,414,830	25,084	2.29%	4,660,222	27,374	2.38%
Notes and other borrowings	429,098	5,290	4.93%	404,852	5,309	5.25%
Total interest bearing liabilities	25,033,894	113,563	1.82%	25,265,922	130,928	2.10%
Non-interest bearing demand deposits	4,368,553			3,605,131		
Other non-interest bearing liabilities	749,101			657,360		
Total liabilities	30,151,548			29,528,413		
Stockholders' equity	3,063,704			2,955,584		
Total liabilities and stockholders' equity	$ 33,215,252			$ 32,483,997		
Net interest income		$ 185,216			$ 196,541	
Interest rate spread			1.97%			2.16%
Net interest margin			2.35%			2.54%

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

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

	Three Months Ended March 31,	
	2020	**2019**
Basic earnings per common share:		
Numerator:		
Net income (loss)	$ (30,951)	$ 65,972
Distributed and undistributed earnings allocated to participating securities	—	(2,697)
Income (loss) allocated to common stockholders for basic earnings per common share	$ (30,951)	$ 63,275
Denominator:		
Weighted average common shares outstanding	93,944,529	98,856,775
Less average unvested stock awards	(1,101,370)	(1,171,921)
Weighted average shares for basic earnings (loss) per common share	92,843,159	97,684,854
Basic earnings (loss) per common share	$ (0.33)	$ 0.65
Diluted earnings (loss) per common share:		
Numerator:		
Income (loss) allocated to common stockholders for basic earnings per common share	$ (30,951)	$ 63,275
Adjustment for earnings reallocated from participating securities	—	5
Income (loss) used in calculating diluted earnings per common share	$ (30,951)	$ 63,280
Denominator:		
Weighted average shares for basic earnings (loss) per common share	92,843,159	97,684,854
Dilutive effect of stock options and certain shared-based awards	—	279,779
Weighted average shares for diluted earnings per common share	92,843,159	97,964,633
Diluted earnings (loss) per common share	$ (0.33)	$ 0.65

BANKUNITED, INC. AND SUBSIDIARIES
SELECTED RATIOS

	Three Months Ended March 31,	
	2020	**2019**
Financial ratios [4]		
Return on average assets	(0.37)%	0.82%
Return on average stockholders' equity	(4.1)%	9.1%
Net interest margin [3]	2.35 %	2.54%

	March 31, 2020	December 31, 2019
Asset quality ratios		
Non-performing loans to total loans [1][5]	0.85%	0.88%
Non-performing assets to total assets [2] [5]	0.61%	0.63%
Allowance for credit losses to total loans	1.08%	0.47%
Allowance for credit losses to non-performing loans [1] [5]	126.41%	53.07%
Provision for credit losses to average loans [4]	0.53%	0.04%
Net charge-offs to average loans [4]	0.13%	0.05%

(1) We define non-performing loans to include non-accrual loans and loans other than government insured residential loans that are past due 90 days or more and still accruing. Contractually delinquent 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 $49.1 million or 0.21% of total loans and 0.15% of total assets, at March 31, 2020; compared to $45.7 million or 0.20% of total loans and 0.14% of total assets, at December 31, 2019.

Non-GAAP Financial Measures

Pre-tax, pre-provision income 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, particularly in view of the adoption of the CECL accounting methodology in the current quarter, which may impact comparability of operating results to prior periods. This measure also provides a meaningful basis for comparison to other financial institutions. The following table reconciles the non-GAAP financial measurement of pre-tax, pre-provision income to the comparable GAAP financial measurement of income (loss) before income taxes for the three months ended March 31, 2020 and 2019 (in thousands):

	Three Months Ended March 31,	
	2020	2019
Income (loss) before income taxes (GAAP)	$ (40,422)	$ 90,185
Plus: Provision for credit losses	125,428	10,281
Pre-tax, pre-provision income (non-GAAP)	$ 85,006	$ 100,466

Ex

BankUnited, Inc.

Q1 2020 – Supplemental Information
April 29, 2020

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) thos relating to the Company's operations, financial results, financial condition, business prospects, growth strateg and liquidity, including as impacted by the COVID-19 pandemic. 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 forwar 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, 2019 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).

Our Response to the Pandemic

Supporting our Customers	• Provided access to branches while taking steps to protect customers and employees; 76% of branches moved to drive-through or lobby appointments only • Digital solutions have helped to minimize business disruption • Provided short-term funding for small to medium-sized business customers through the Paycl Protection Program (PPP) • Granted extensions, deferrals and forbearance for certain customers; waived select fees • Temporarily halted new foreclosure actions on residential real estate
Supporting our Employees	• Seamless move to remote work environment; 97% of non-branch employees working remote • Expanded employee benefits – increased medical benefits to cover all COVID-19 related expe increased PTO • Regular communications to keep employees healthy and engaged – CEO calls, status updates, learning and development opportunities, well-being toolkits • Access to employee assistance programs – nutrition, mental and physical wellness, financial awareness and education • Enhanced cleaning and personal protective measures for employees working at our corporate locations and branches • No furloughs to date
Prioritizing Prudent Risk Management	• Business continuity plan led by executive management and operating as intended • Pro-active outreach to borrowers to assess COVID-19 impact • Segregated portfolio into risk segments for enhanced monitoring • Activated contingency funding plan • Enhanced workout and recovery staffing and processes • Enhanced stress testing regimen • Established weekly cadence of Board of Directors meetings
Managing from a Position of Strength	• Strong capital and liquidity ratios • Consolidated CET 1 capital of 11.8% and Tier 1 leverage capital of 8.5% at March 31, 2020 • Same day available liquidity exceeding $8 billion

Our Strong Capital Position

We are entering this cycle from a position of strength and believe we are well positioned to withstand a severe downtown.
($ in millions)

- We stressed our March 31, 2020 portfolio using both the 2018 DFAST and 2020 DFAST severely adverse scenarios.

	Actual ACL and Regulatory Capital Ratios at March 31, 2020	2018 DFAST Severely Adverse Projected Losses and Capital Ratios (1)	2020 DFAST Severely Adverse Projected Losses and Capital Ratios (1)	Required to be Considered Well Capitalized
Lifetime Expected Losses	$ 251	$ 575	$ 445	
Capital Ratios				
Tier 1 leverage	9.3%	8.6%	8.9%	5.0%
CET 1 risk-based capital	12.9%	11.8%	12.2%	6.5%
Total risk-based capital	13.7%	13.1%	13.5%	10.0%

- The table summarizes projected lifetime losses under both DFAST scenarios and the pro-forma impact of immediate recognition of additional stressed losses on BankUnited N.A.'s regulatory capital ratios as of March 31, 2020.

- Pro-forma regulatory capital ratios continue to exceed "well capitalized" guidelines.

(1) The Pinnacle portfolio, which is a primarily investment grade municipal portfolio, was excluded from this stress testing exercise.

We Have Ample Liquidity

- Available liquidity has remained stable leading up to and through the period of the pandemic
- Deposits grew by $606 million in the first quarter; $305 million of that growth was non-interest bearing DDA.
- We will remain focused on DDA growth and aggressively reducing our cost of deposits in the second quarter and beyond

Key Liquidity Ratios	12/31/19	3/31/20	4/21/20
30 Day Liquidity Ratio	1.8x	1.4x	1.6x
Loans to Deposits	95.1%	92.8%	94.7%
Wholesale Funding / Total Assets	25.3%	27.5%	26.8%

Trended Deposit Portfolio

Continuing to focus on transforming our deposit mix; NIDDA has grown 27% since December 3
($ in millions)

Cost of Deposits	1.52%	1.67%	1.70%	1.67%	1.48%	1.36%

Reducing Cost of Deposits

We have consistently priced down our deposit portfolio since the Fed began lowering interest rates in late 2019.

Spot Average Annual Percentage Yield (“APY”)	At December 31, 2019	At March 31, 2020	At April 17, 202
Total non-maturity deposits	1.11%	0.83%	0.54%
Total interest-bearing deposits	1.71%	1.35%	1.08%

CECL Impacted by the Pandemic

CECL Methodology

Underlying Principles

- The ACL under CECL represents management's best estimate at the balance sheet date of expected credit losses over the life of the loan portfolio.
- Required to consider historical information, current conditions and a reasonable and supportable economic forecast.
- For most portfolio segments, BankUnited uses econometric models to project PD, LGD and expected losses at the loan level and aggregates those expected losses by segment.
- Qualitative adjustments may be applied to the quantitative results.

Reasonable & Supportable Forecast

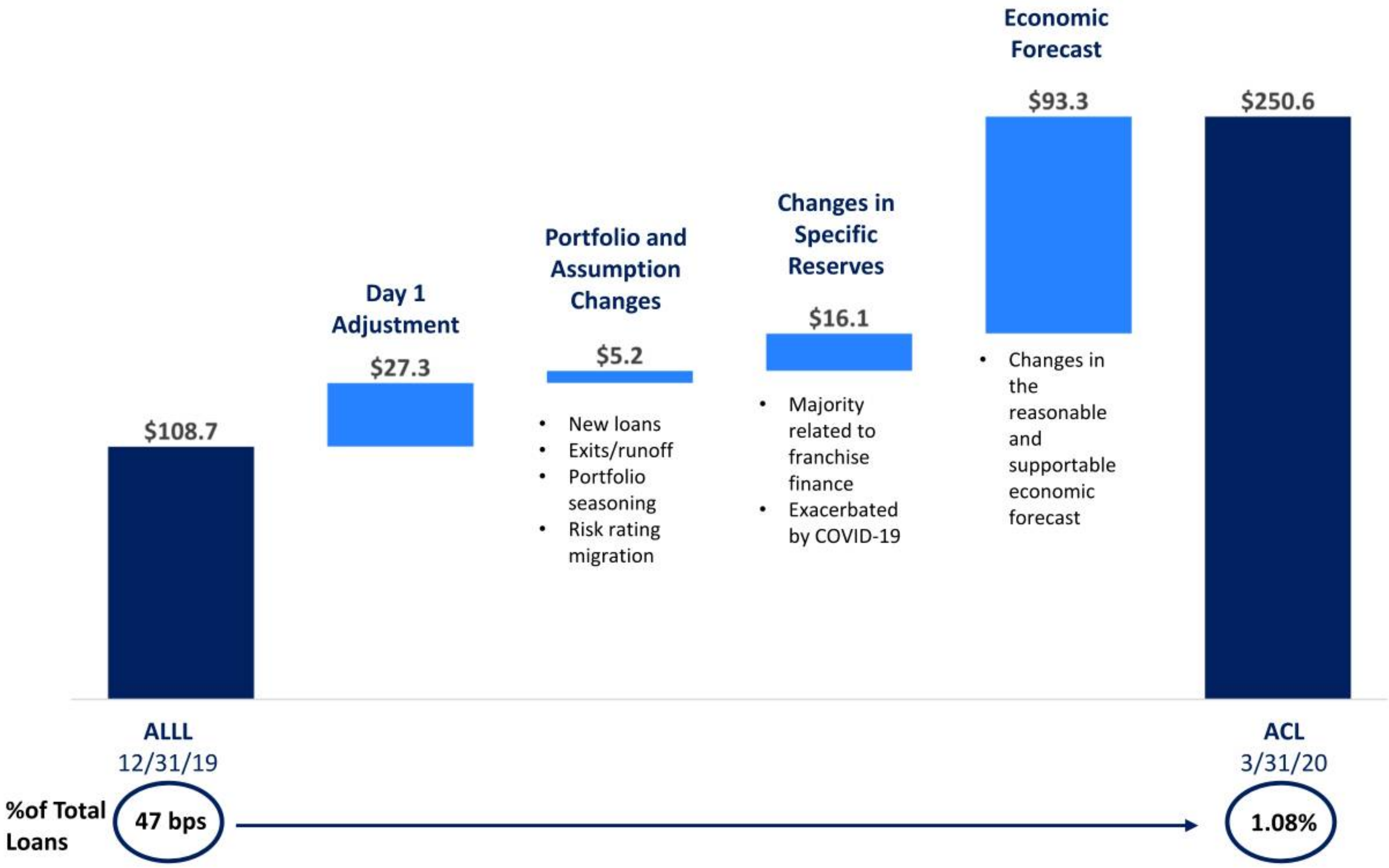
- Our ACL estimate was informed primarily by the Mid-Cycle Baseline forecast issued by Moody's on March 27, 2020. We chose to use a forecast issued as close to the end of the quarter as feasible.
- Assumes Real GDP decline of approximately 20% in Q2, unemployment rising to approximately 9% in Q2, VIX approaching 60, and Y-O-Y decline in S&P 500 reaching a low of near 30%.
- Recovery begins in the second half of 2020; unemployment remains elevated into 2023.

Key Variables

- The models ingest numerous national, regional and MSA l economic variables and data points. Key data points inclu
    - Unemployment rate
    - Market Volatility Inde (VIX)
    - Stock Price Index (S&P
    - Real GDP
    - A variety of interest ra and spreads
    - HPI
    - CRE forecasts
    - CPI

Drivers of Change in the ACL under CECL

($ in millions)



Allocation of the Allowance for Credit Losses (ACL)

($ in millions)

	Allowance for Credit Losses January 1, 2020		Allowance for Credit Losses March 31, 2020	
	Total	% of Loans	Total	% of Loans
Residential and other consumer	$ 19.3	0.34%	$ 12.6	0.22%
Commercial:				
Commercial real estate	16.7	0.22%	40.8	0.57%
Commercial and industrial	83.6	1.12%	157.6	2.00%
Pinnacle	0.4	0.03%	0.6	0.05%
Franchise finance	9.0	1.44%	32.9	5.08%
Equipment finance	7.0	1.02%	6.1	0.94%
Total commercial	116.7	0.67%	238.0	1.36%
Allowance for credit losses	**$ 136.0**	**0.59%**	**$ 250.6**	**1.08%**

Asset Quality Ratios	December 31, 2019	March 31, 2020
Non-performing loans to total loans (1)	0.88%	0.85%
Non-performing assets to total assets	0.63%	0.61%
Allowance for credit losses to non-performing loans (1)	53.07%	126.41%
Provision for credit losses to average loans	0.04%	0.53%
Net charge-offs to average loans (2)	0.05%	0.13%

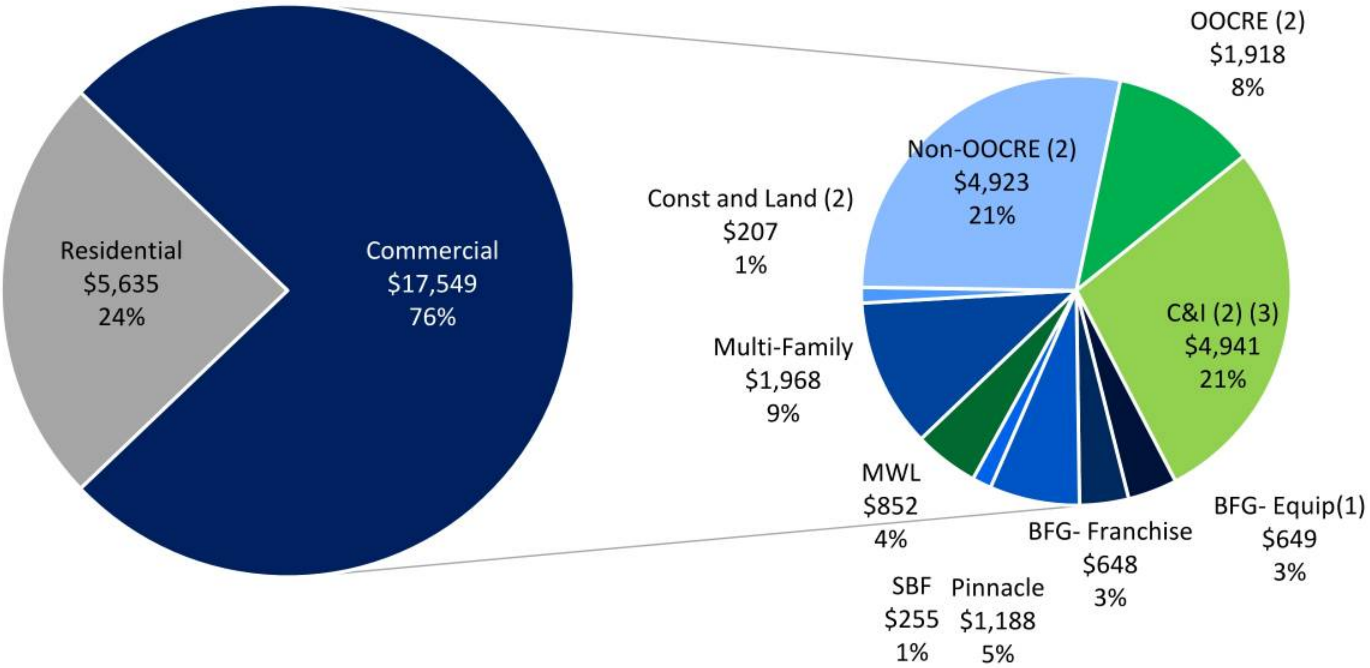
(1) Non-performing loans and assets include the guaranteed portion of non-accrual SBA loans totaling $49.1 million, or 0.21% of total loans and 0.15% of to at March 31, 2020; compared to $45.7 million, or 0.20% of total loans and 0.14% of total assets, at December 31, 2019.

(2) Annualized for the three month period.

Loan Portfolio

At March 31, 2020

Prudently underwritten and well-diversified $23 billion loan portfolio
($ in millions)



(1) Excludes operating lease equipment.
(2) Excludes amounts from SBF.
(3) Excludes amounts from Mortgage Warehouse Lending.

Loan Portfolio – Granular, Diversified Commercial & Industrial Portfolio
At March 31, 2020

($ in millions)

- Includes $2.1 billion of owner-occupied real estate
- Some key observations:
  - Educational services – well established private colleges, universities and high schools
  - Transportation and warehousing – cruise lines, aviation authorities, logistics
  - Health care – larger physician practice management companies, HMO's, mental health & substance abuse; no small practices
  - Arts and entertainment – stadiums, professional sports teams, gaming
  - Accommodation and food services – time share, direct food services businesses and concessionaires

Industry	Balance [1]	Commitment	% of Po
Finance and Insurance	$ 1,263	$ 1,865	
Wholesale Trade	805	1,143	
Educational Services	633	663	
Transportation and Warehousing	475	597	
Health Care and Social Assistance	473	564	
Manufacturing	377	519	
Admin and Support and Waste Management	350	398	
Retail Trade	347	442	
Real Estate and Rental and Leasing	326	496	
Information	297	434	
Professional, Scientific, and Technical Services	282	360	
Construction	277	429	
Accommodation and Food Services	241	298	
Other Services (except Public Administration)	231	272	
Arts, Entertainment, and Recreation	212	260	
Public Administration	209	228	
Utilities	161	238	
Other	76	89	
	$ 7,035	**$ 9,295**	

(1) Includes amounts from SBF.

Loan Portfolio – Commercial Real Estate (Breakdown by Property Type)
At March 31, 2020

($ in millions)

Property Type	Balance	Commitment	Wtd. Avg. DSCR	Wtd. Avg. LTV	% of Portfolio
Office	$ 2,074	$ 2,154	1.90	59.0%	28.8%
Multifamily	2,073	2,187	1.65	56.4%	28.9%
Retail	1,447	1,454	1.76	57.5%	20.2%
Warehouse/Industrial	788	823	1.92	58.1%	11.0%
Hotel	619	630	1.90	57.0%	8.6%
Other	177	209	1.62	48.6%	2.5%
	$ 7,178	**$ 7,457**	**1.79**	**57.4%**	**100%**

- Commercial real estate loans are secured by income-producing, non-owner occupied properties, typica with well capitalized middle market sponsors in our primary geographic footprint
- Multifamily loans include approximately $1.5 billion in New York, of which approximately $1.1 billion is secured by properties in which some or all units are rent regulated.
- 79% of the CRE portfolio has LTVs less than 65%
- 84% of the retail segment and 78% of the hotel segment have LTVs less than 65%
- We do minimal construction lending. Construction and land loans, included in the table, represent only 1% of the total loan portfolio.

Loan Portfolio – Modifications Summary

Through April 20, 2020

($ in millions)

- Granted extensions, deferrals, and forbearance to customers impacted by COVID-19
- To date, we have completed COVID related loan modification requests for:
  - Over 1,400 loan relationships
  - Approximately $2.6 billion in loans
- Modifications are typically structured as a 90 day deferral

	REQUESTS RECEIVED			APPROVED		
	Count	UPB	% of Portfolio	Count	UPB	% of
CRE - Property Type:						
Hotel	30	$505	90%	30	$505	
Retail	83	576	43%	57	372	
Office	15	251	13%	9	195	
Industrial	8	80	11%	7	66	
Multifamily	24	209	11%	20	171	
Total	160	$1,621	24%	123	$1,309	
C&I - Industry						
Accommodation and Food Services	11	$85	38%	7	$36	
Arts, Entertainment, and Recreation	6	44	20%	5	40	
Retail Trade	4	51	15%	1	7	
Manufacturing	3	30	9%	2	27	
Other	25	138	<7%	14	74	
Total	49	$348	5%	29	$184	
BFG - Equipment	11	$67	10%	9	$66	
BFG - Franchise	146	$513	79%	144	$482	
Smaller Balance Commercial Loans	408	$320		197	$112	
Total Commercial	**774**	**$2,869**		**502**	**$2,153**	
Residential (excl. govt. guaranteed loans)				**974**	**$499**	

Loan Portfolio – Paycheck Protection Program (PPP)

Through April 24, 2020

We have made a concerted effort to help our existing customers obtain a PPP loan

Intake

- Began accepting intake forms from customers on April 3, 2020
- Launched our digital portal on April 6, 2020
- Received over 3,000 applications (approximately 2,800 loans were processed)

Phase I

- During Phase I of PPP, of the applications that qualified, 89% have successfully funded. We have funded approximately 2,500 loans for $663 million.
- We helped protect approximately 81,000 jobs

Phase II

- For Phase II of PPP, anticipa funding additional $150 mi of PPP loans
- Includes those we could no secure funding for during Phase I

Loan Portfolio – Segments Identified for Heightened Monitoring

At March 31, 2020

Moderate exposure to sectors most impacted by the pandemic
($ in millions)

Segments of Interest		Balance	% of Total Loans		Criticized/ Classified		Non Performing	Pass Rated
Retail - CRE	$	1,447	6.2%	$	36	$	11	98%
Retail - C&I		347	1.5%		7		4	98%
BFG - Franchise Finance		648	2.8%		272		38	58%
Hotel		619	2.7%		38		22	94%
Airlines		85	0.4%		-		-	100%
Cruise line		71	0.3%		-		-	100%
Energy(1)		46	0.2%		-		-	100%
Total	**$**	**3,263**	**14.1%**	**$**	**353**	**$**	**75**	**89%**

- We contacted all borrowers in higher risk segments, and all remaining borrowers with exposure greater than $5 million to assess potential impact
- Have and will continue to work with borrowers to provide relief in the form of deferrals and temporary forbearance
- Expect many borrowers to benefit from government relief programs; airlines particularly are receiving significant relief
- Notable sector commentary:
  - Cruise Lines – borrowers are companies with strong balance sheets; substantial majority are investment grade clients
  - Minimal exposure to high-risk construction lending
  - No consumer student loan, auto, home equity or credit card exposure

(1) There is also exposure to energy in the operating lease portfolio, primarily railcars, totaling $291 million at March 31, 2020.

Loan Portfolio – Retail
At March 31, 2020

($ in millions)

Key observations on the CRE segment:
- No significant mall or "big box" exposure
- We estimate that approximately 60% of the CRE retail portfolio is supported by businesses that we consider to be essential or moderately essential

Retail - Commercial Real Estate

Property Type		Balance
Retail - Unanchored	$	696
Retail - Anchored		690
Restaurant		28
Gas station		26
Construction to perm		7
	$	**1,447**

Retail – Commercial & Industrial

Industry		Not Secured by Real Estate		Owner Occupied Real Estate		Total
Gas station	$	1	$	96	$	
Furniture stores		32		6		
Health and personal care stores		25		4		
Grocery stores		1		23		
Vending machine operators		20		1		
Specialty food stores		2		18		
Florists		14		1		
Automobile dealers		7		7		
Electronic shopping and mail-order houses		12		1		
Other		16		60		
	$	**130**	**$**	**217**	**$**	

Loan Portfolio – BFG Franchise Finance

At March 31, 2020

($ in millions)

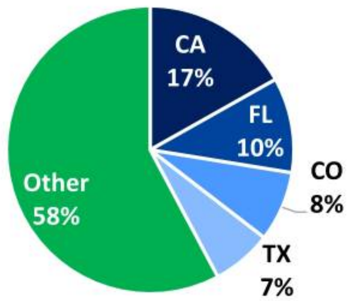
- Fitness concepts may be under added stress due to social distancing measures arising from the pandemic
- QSR margins have been under stress from rising labor costs and disruption from food delivery services, but concepts that have adopted digital ordering, take-out and drive-thru models may be better able to weather the current stress

Portfolio Breakdown by Concept

Restaurant Concepts		Balance	%of BFG Franchise
Burger King	$	67.1	10
Dunkin' Donuts		39.4	6
Sonic		27.9	4
Domino's		26.2	4
Jimmy Johns		23.4	4
Other		217.1	34
	$	**401.1**	**62**

Non-Restaurant Concepts		Balance	%of BFG Franchise
Planet Fitness	$	107.3	17
Orange Theory Fitness		86.7	13
Other		52.6	8
	$	**246.6**	**38**

Portfolio Breakdown by Geography

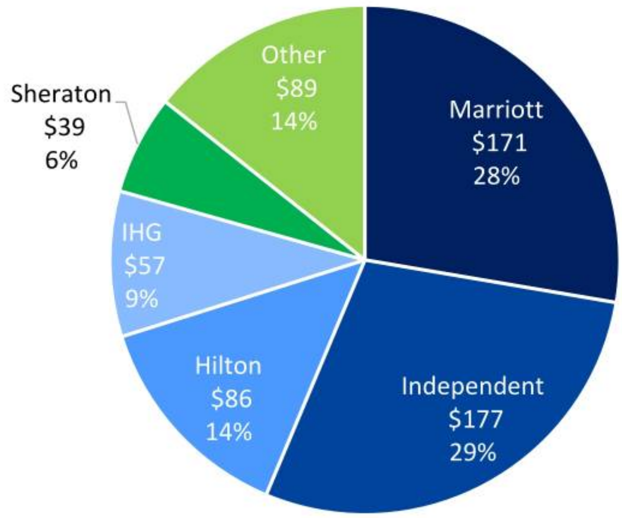


Loan Portfolio – Hotel
At March 31, 2020

($ in millions)

- This sector is experiencing significant disruption and declines in revenue due to COVID-19 and social distancing measures
- 77% of our exposure is in Florida, followed by 13% in New York
- Includes $60.9 million in SBA loans of which $16.5 million is guaranteed

Exposure by Flag



Total Portfolio: $619.5mm

Loan Portfolio – BFG Energy Exposure
At March 31, 2020

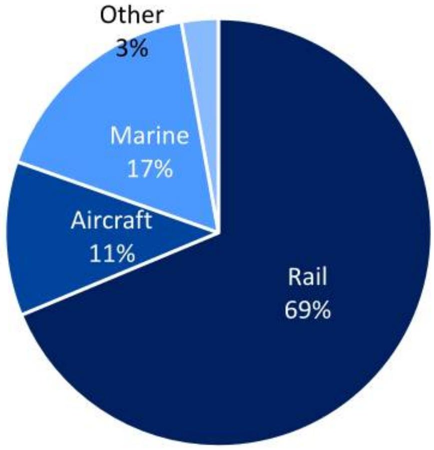
($ in millions)

- Our energy exposure is modest
- Assets in the operating lease portfolio have useful lives that span multiple economic cycles
- Railcar fleet is 56% tank cars, 42% sand hoppers and 2% other

BFG Energy Portfolio

		Balance
Operating leases	$	291.3
Loan/Finance Lease		46.3
Total	**$**	**337.6**

Exposure by Asset Type

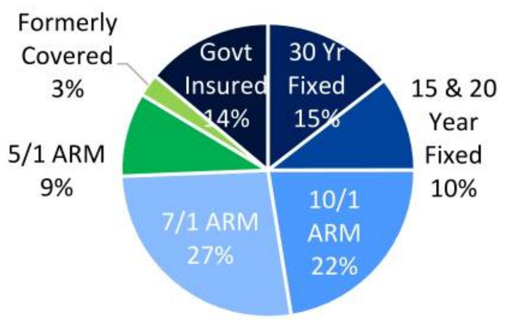


Loan Portfolio – Residential

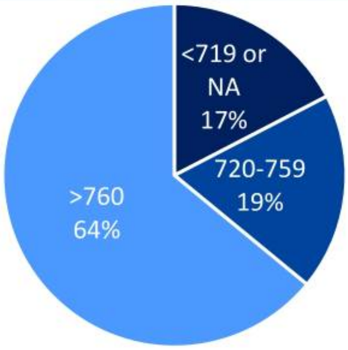
At March 31, 2020

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

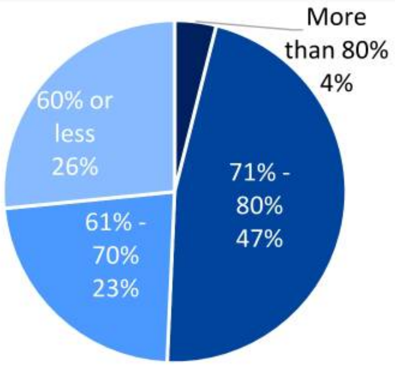
Product Type



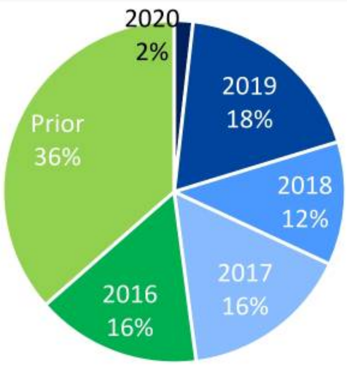
FICO Distribution(1)



Breakdown by LTV(1)

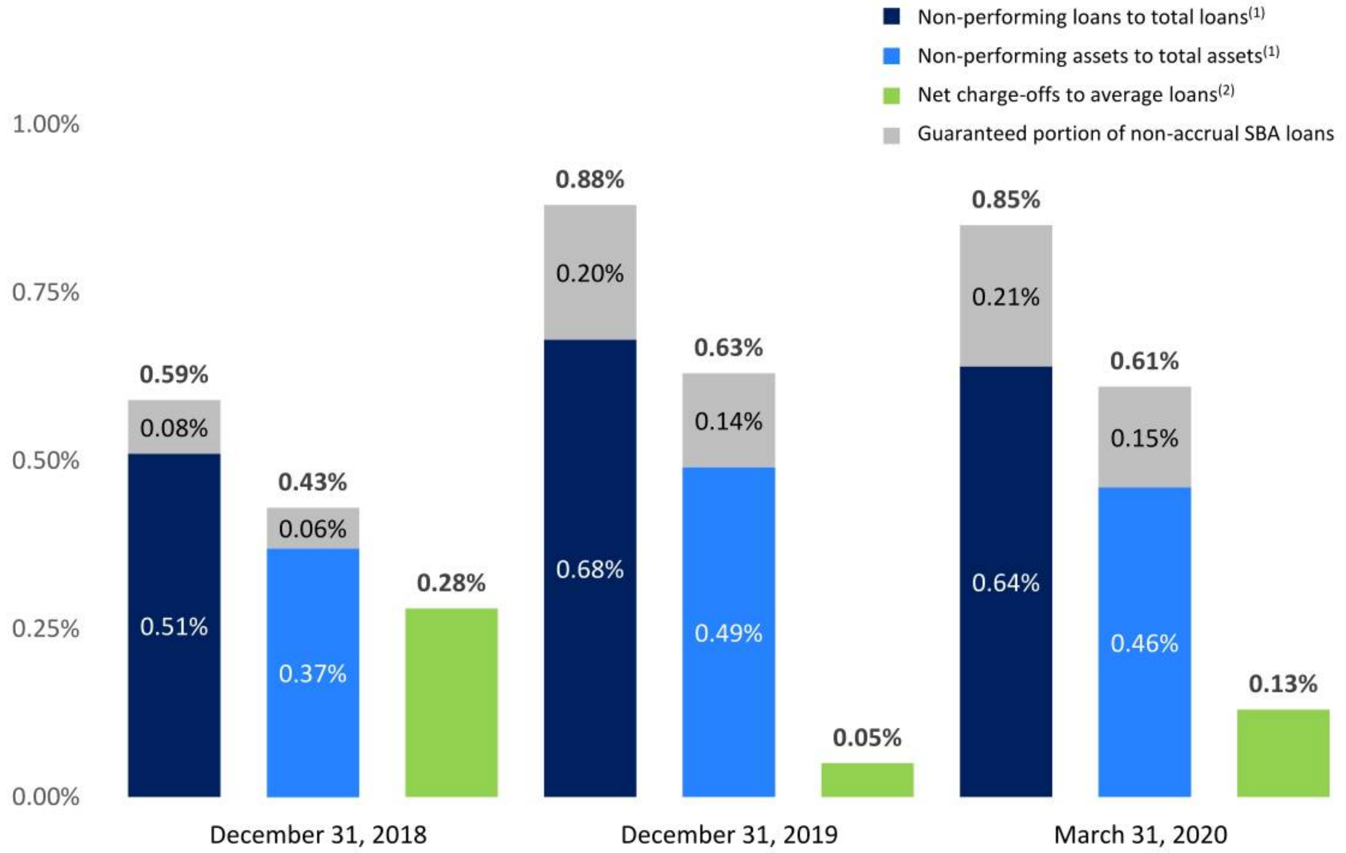


Breakdown by Vintage(1)



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

Asset Quality – Non-Performing Asset Trends
At March 31, 2020



(1) Non-performing loans and assets exclude the guaranteed portion of non-accrual SBA loans totaling $49.1 million or 0.21% of total loans and 0.15% of total assets at March 31, 2020, $45.7 million or 0.20% of total loans and 0.14% of total assets at December 2019 and $17.8 million or 0.08% of total loans and 0.06% of total assets, at December 2018.

(2) Net charge-off ratio is annualized for the three months ended March 31, 2020.

Asset Quality – Criticized and Classified Commercial Loans

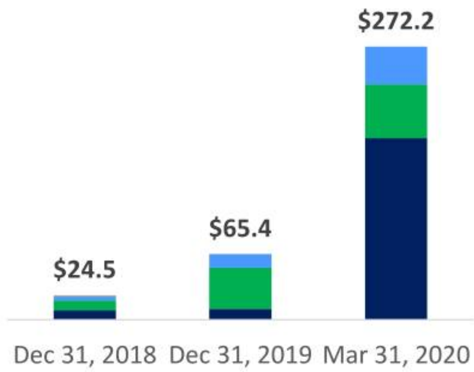
At March 31, 2020

($ in millions)

Commercial Real Estate

Commercial & Industrial

Franchise Finance



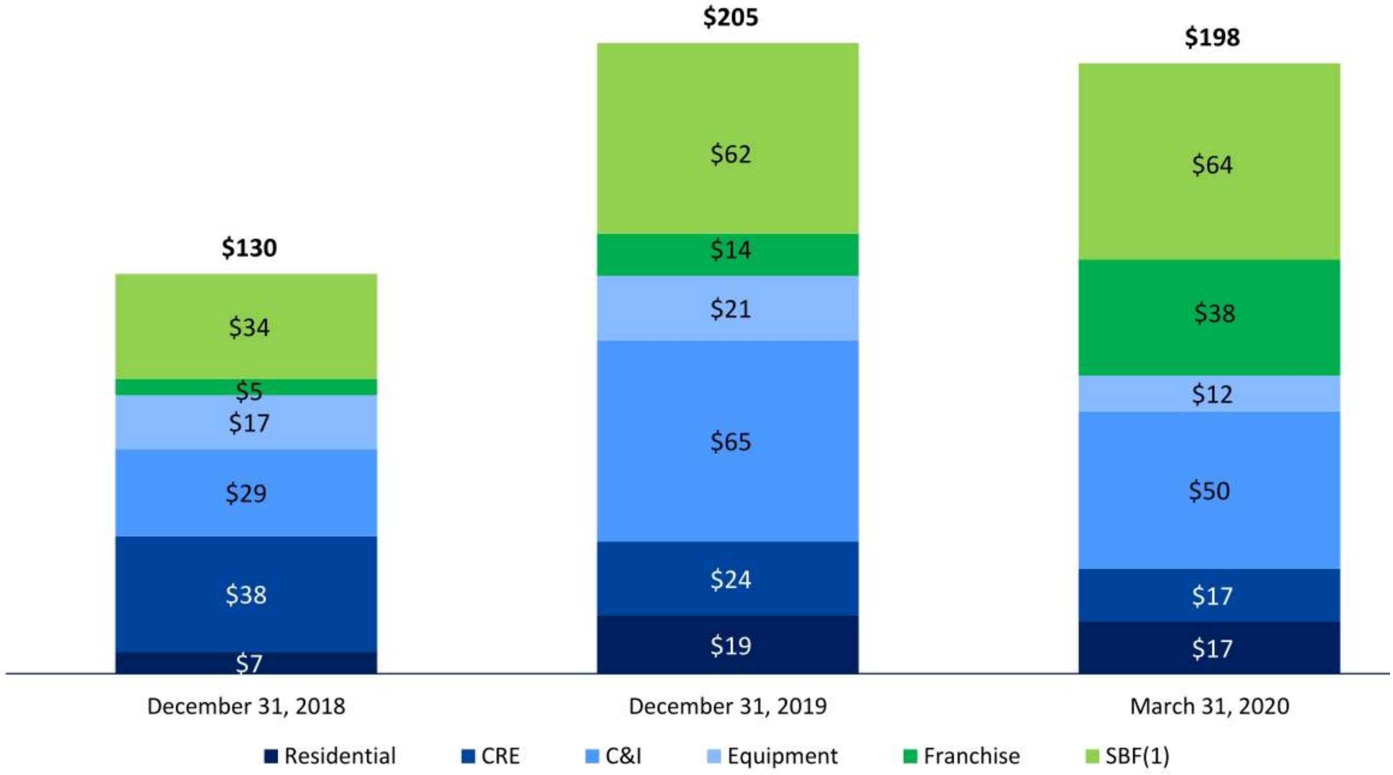
Equipment Finance

SBF[1]

(1) Includes the guaranteed portion of non-accrual SBA loans totaling $49.1 million, $45.7 million and $17.8 at March 31, 2020, December 31, 2019 and December 2018, respectively.

Asset Quality – Non-Performing Loans by Portfolio Segment
At March 31, 2020

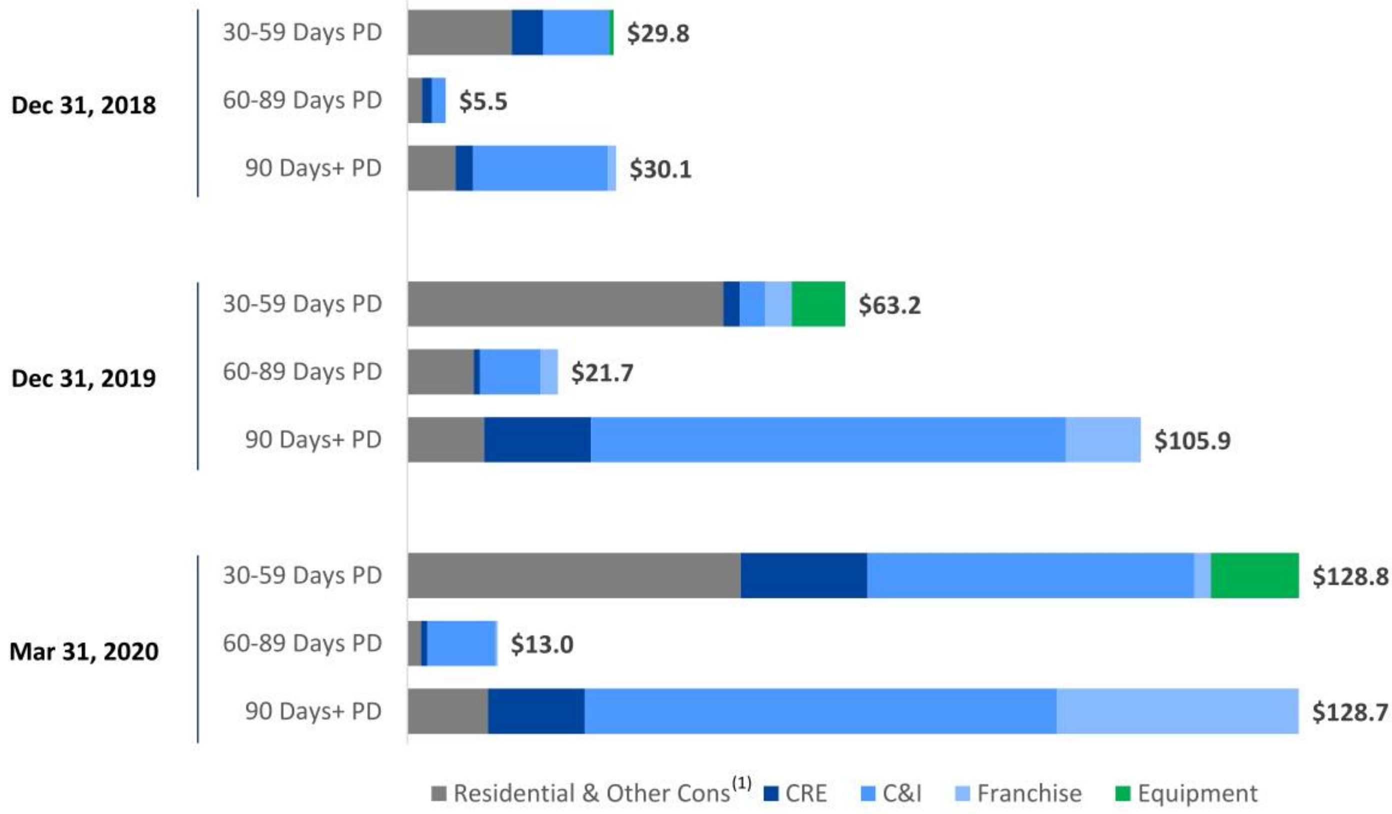
($ in millions)



(1) Includes the guaranteed portion of non-accrual SBA loans totaling $49.1 million, $45.7 million and $17.8 at March 31, 2020, December 31, 2019 and December 2018, respectively.

Asset Quality – Delinquencies
At March 31, 2020

Delinquencies have not increased materially since March 31, 2020, helped by modifications ($ in millions)

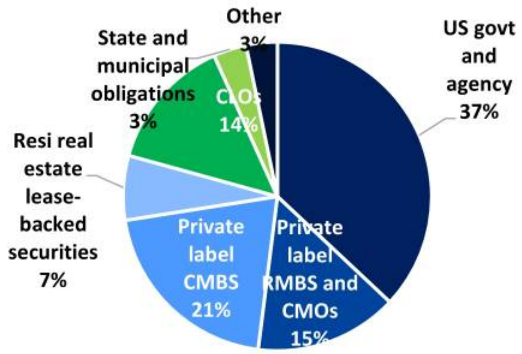


(1) Excludes government insured residential loans.

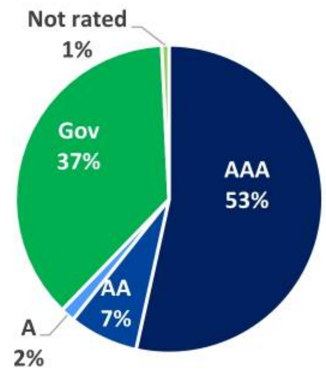
Investment Securities AFS

No credit losses expected on the $7.8 billion portfolio; unrealized losses attributable primarily widening spreads - valuations have started to recover since March 31, 2020
($ in millions)

Portfolio Composition



Ratings Distribution

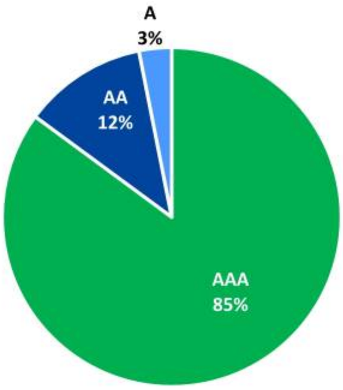


Portfoio	December 31, 2019 Net Unrealized Gain (Loss)	December 31, 2019 Fair Value	March 31, 2020 Net Unrealized Gain (Loss)	March 31, 2020 Fair Value	April 22, 2020 (1) Net Unrealized Gain (Loss)	April 22, 2020 (1) Fair Va
US Government and Agency	$ 11	$ 2,826	$ (24)	$ 2,894	$ 3	$
Private label RMBS and CMOs	11	1,012	(12)	1,174	(4)	
Private label CMBS	5	1,725	(124)	1,605	(118)	
Residential real estate lease-backed securities	3	470	(21)	529	(4)	
CLOs	(8)	1,197	(75)	1,095	(70)	
State and Municipal Obligations	15	273	15	271	14	
Other	1	196	(9)	254	(4)	
Total	**$ 38**	**$ 7,699**	**$ (250)**	**$ 7,822**	**$ (183)**	**$**

(1) Investments available for sale held at March 31, 2020 valued as of April 22, 2020.

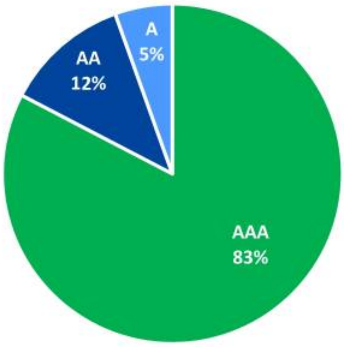
Investment Securities – Asset Quality of Select Non-Agency Securities
At March 31, 2020

Strong credit enhancement levels on CLOs and CMBS



Collateralized Loan Obligations (CLOs)

Rating	Subordination			Wtd. Avg.
	Min	Max	Avg	Stress Scenario Loss
AAA	36.03	48.09	42.06	21.00
AA	27.77	40.29	34.03	22.32
A	25.55	29.37	27.46	23.94
Total	**29.78**	**39.25**	**34.52**	**21.27**



Private Label Commercial Mortgage-Backed Securities (CMBS)

Rating	Subordination			Wtd. Avg.
	Min	Max	Avg	Stress Scenario Loss
AAA	25.72	80.27	53.00	12.27
AA	30.37	85.85	58.11	12.28
A	21.50	73.64	47.57	13.45
Total	**25.86**	**79.92**	**52.89**	**13.24**