BankUnited IPO Supplemental Fact Sheet
January 26, 2011

General

- At the time of failure, BankUnited had approximately $9.34 billion in insured deposits. These are liabilities that the FDIC is legally obligated to pay through the industry capitalized Deposit Insurance Fund. No taxpayer funds are used by the FDIC in the resolution of failed banks. The FDIC is entirely funded through assessments charged on the industry.

- BankUnited failed because it was a badly deteriorated institution with significant problems, primarily due to heavy use of non-traditional mortgage products.

- Over 60% of the loans in BankUnited's portfolio were pay-option arm mortgages. BankUnited (prior to failure) was the country's second largest writer of these types of mortgages.

Marketing/Failure

- BankUnited failed and was marketed and sold in the spring of 2009, during a period of broader market uncertainty.

- The FDIC resolved BankUnited through a competitive bidding process. The institution made an extensive effort to market itself prior to failure. It was unable to attract an open bank transaction.

- When the decision to close the institution was made by the OTS, the FDIC contacted 62 bidders and provided access to over 100 individuals into the secure data room. From this, 30 interested parties conducted due diligence. Three parties submitted 5 bids, all of which were nonconforming.

- As mandated by law, the FDIC is bound by the least cost test, meaning that the transaction that is selected is the one that is least costly to the Deposit Insurance Fund. Any bids received are measured against the cost of liquidation.

- In the case of BankUnited, the winning bidder saved the Deposit Insurance Fund $1.5 billion over the cost of liquidating the assets of the bank and paying out insured deposits.

Transaction

- The FDIC estimates that the failure of BankUnited will cost the Deposit Insurance Fund $5.7 billion. This estimate includes all losses associated with the failure, including future loss share claims. The increase from the FDIC's initial loss estimate arose primarily from total insured deposits at the time of failure being $740 million greater than estimated.

- The FDIC uses various transaction strategies to dispose of the assets acquired through receivership to offset the costs associated with protecting insured depositors.

- In the case of BankUnited, $11.7 billion in assets are covered by a loss share agreement. This type of whole bank with loss share transaction is the most common method used by the FDIC to resolve failing institutions, based on maximizing recoveries.

- In order to receive any benefits from loss share, the FDIC requires that all single-family, owner-occupied homes be subject to an FDIC approved loan modification program designed to achieve an affordable payment for the borrower and maximize value in the loan.

- Loss share also helps to reduce FDIC's cost of resolving failed institutions, preserves the liquidity of the deposit insurance fund, reduces the credit risk of the resolution transaction to an acquirer, facilitates the sale of the failed bank's assets with its deposits, preserves banking and customer relationships, and keeps loans in the community. For more on loss share www.fdic.gov/lossshare.

- Through December 2010, the FDIC has entered into 222 loss sharing agreements, with $157 billion in assets under loss sharing. The estimated savings exceed $39 billion, compared to an outright cash sale of those assets.

IPO

- The BankUnited IPO will result in more capital for the institution and a more diverse group of owners. It is indicative of the change in market conditions since the original agreement.

- The FDIC stands to benefit financially from the BankUnited IPO due to the inclusion of a value appreciation instrument or warrant for the FDIC. At the minimum, the FDIC will receive $25 million from the offering.

- This warrant/equity appreciation instrument that the FDIC received in the BankUnited transaction was the first time that this was incorporated into a closed bank deal structure. The FDIC has since received an additional 20 equity appreciation instruments in subsequent transactions, with the largest amount of proceeds received totaling $23.3 million.

- Kanas and the initial set of investors will retain at least 67% of their initial investment in the company after the IPO.

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