

CASE STUDY

How Carlyle Creates Value

Deep industry expertise. Global scale and presence. Extensive network of Operating Executives. And a wealth of investment portfolio data; we call it The Carlyle Edge. These are the four pillars of Carlyle's value creation model. By leveraging these core capabilities and resources—Carlyle has established a 30-year overall track record of investing in companies, working to make them better and serving our investors' needs.



Carlyle professionals worked with BankUnited to build a new management team, who collectively rationalized the branch network, rebuilt the lending platform and invested significantly in IT infrastructure.

About BankUnited and the Transaction

Carlyle, along with veteran bank CEO John Kanas and other investors, invested in BankUnited in May 2009. Carlyle's investment was made through three funds: Carlyle Global Financial Services Partners, Carlyle Partners V and Carlyle Strategic Partners II.

BankUnited offers a full range of traditional banking products and financial services coupled with personalized customer service to both its commercial and consumer customers. At the time of Carlyle's exit in 2014, BankUnited was the seventh largest depository institution operating in Florida based on deposit market share. Headquartered in Miami Lakes, Florida, BankUnited, as of March 31, 2014, employed 1,660 people and had \$11.1 billion in deposits.

BankUnited, Inc., the new institution formed by investors, assumed \$8 billion of the deposits and purchased \$14 billion of the assets of Bank United, FSB (the "Predecessor Bank"). As a result of losses on the Predecessor Bank's \$11 billion mortgage portfolio, it was the fourth largest bank to fail in 2009, and was seized by government regulators prior to Carlyle's investment. As a result of the acquisition, the loan portfolio was written down from \$11 billion to \$5 billion in fair value.



AT A GLANCE

Bank United

Industry: Financial Services

Region/Country: Coral Gables, FL

Funds:

Carlyle Global Financial Services Partners

Carlyle Partners V

Carlyle Strategic Partners II

Acquired: May 2009

Status: Exited

During Carlyle's ownership, BankUnited grew its new loan portfolio by **\$8.6 billion**

ABOUT THE CARLYLE GROUP

The Carlyle Group (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across four business segments: Corporate Private Equity, Real Assets, Global Credit and Investment Solutions. With \$216 billion of assets under management, Carlyle's purpose is to invest wisely and create value on behalf of our investors, portfolio companies and the communities in which we live and invest. Carlyle employs 1,625 people in 31 offices across six continents.

Set forth herein is a selected case study that Carlyle believes illustrate its ability to create value at, and improve the performance of, its portfolio companies. The performance of these portfolio companies is not necessarily indicative of the performance of all of Carlyle's portfolio companies. The information provided herein is for informational purposes only and is not and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests (the "Interests") in any fund or other product sponsored or managed by T.C. Group, L.L.C. or any of its affiliates (together, "Carlyle"). Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum (as amended and/or restated from time to time) and the applicable fund's subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering.

Key Value Creation Metrics

- Structured loss share agreement with FDIC that provided a guarantee on legacy asset performance
- Built new management team around John Kanas
- Improved deposit mix and managed down the cost of deposits while growing deposit base significantly
- New loan book post-investment grew to \$8.6 billion as of March 31, 2014

Strengthening Management for Next Stage of Growth

Carlyle helped build a new management team around John Kanas, CEO of BankUnited, and one of the most successful bank executives in the US. Management focused on the best strategy for bank branch locations, rebuilding its lending platform, investing significantly in infrastructure and acquiring Herald National Bank to expand into the New York Metropolitan area.

Executing Successful IPO

On February 2, 2011, BankUnited became a publicly-traded company, raising approximately \$900 million.

Carlyle fully exited its investment in BankUnited in March 2014.