Bank of Utica (BKUT)

Updated June 15th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$506	**5 Year Annual Expected Total Return:**	7.5%	**Market Cap:**	$125.3 M
Fair Value Price:	$510	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	06/30/2025
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	07/08/2025
Dividend Yield:	3.8%	**5 Year Price Target**	$620	**Years Of Dividend Growth:**	30
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Bank of Utica is a full-service commercial bank headquartered in Utica, New York, with its shares listed over-the-counter under the tickers BKUT and BKUTK. Founded in 1927, the bank offers a range of financial services, including commercial and consumer lending, residential mortgages, deposit services, and extensive investment activities. What sets Bank of Utica apart is its unusually large securities portfolio, which comprises the majority of its assets and reflects its focus on capital preservation, liquidity, and conservative balance sheet management. It has a market cap of $125.3 million.

On April 22nd, 2025, Bank of Utica reported its full-year results for the period ending December 31st, 2024. The bank recorded net income of $20.0 million, up from $18.9 million in 2023, resulting in EPS of $80 per share, an increase from $75 per share the previous year. Total assets grew to $1.39 billion, driven by an expansion in the bank's investment securities and loan portfolios. Net interest income declined modestly to $21.2 million from $23.6 million, as higher funding costs weighed on margins in a rising rate environment. Non-interest income rose to $12.9 million, compared to $9.0 million in 2023, largely due to higher unrealized gains on investment securities. Operating expenses remained stable at $9.3 million. For FY2025, we expect EPS of $85.00.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	---	---	---	---	$85.00	$97.00	$154.00	$46.00	$75.00	$80.00	***$85.00***	***$103.4***
DPS	$12.50	$13.25	$14.05	$14.70	$15.25	$16.00	$17.00	$17.75	$18.25	$18.75	***$19.00***	***$23.12***
Shares[1]	---	---	---	---	---	250.0	250.0	250.0	250.0	250.0	***250.0***	***250.0***

Bank of Utica's EPS in recent years has been highly influenced by the performance of its large securities portfolio rather than by its core lending and deposit operations. EPS rose from $85 in 2019 to $97 in 2020, driven by stable net interest income and solid gains on investment securities. The bank's conservative cost base and steady deposit growth also supported earnings in that period.

The standout year was 2021, when EPS jumped to $154. This sharp increase was primarily due to significant unrealized gains (over $26 million) on the bank's equity and fixed-income securities. These gains, combined with strong net interest income and relatively low non-interest expense, resulted in record profitability. Nevertheless, this level of EPS was not sustainable, as it reflected market-driven portfolio valuation changes rather than core operational growth.

In 2022, EPS fell sharply to $46, reflecting a tougher bond and equity market environment with reduced unrealized gains on securities and rising funding costs. EPS rebounded to $75 in 2023 and $80 in 2024, aided by higher interest income from both loans and securities as rates rose, but also tempered by a significant increase in interest expense, as the cost of deposits climbed in a higher-rate environment. In both years, net gains on securities, while still positive, were smaller and far less impactful than in 2021.

It's important to note that Bank of Utica's annual reports provide no meaningful management commentary or discussion of its results or any strategic initiatives. The lack of narrative context makes it difficult to assess the drivers of earnings

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[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

beyond what can be inferred from the financial statements. As a result, while EPS figures have been strong in absolute terms, they are heavily shaped by non-core, market-driven securities valuation swings rather than the consistent growth of the underlying banking franchise.

Regardless, we have embedded a 4% annual growth rate in EPS and the dividend moving forward, which we believe the bank can sustain. The fact that the bank has increased its dividend for 30 consecutive years, with the 5 and 10-year average dividend growth rate standing at 3.5% and 4.6%, is a decent indicator for this forecast given the lack of data.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	---	---	---	---	6.9	6.0	3.8	10.1	6.3	6.1	***6.0***	***6.0***
Avg. Yld.	2.3%	2.8%	2.4%	2.5%	2.6%	2.7%	2.9%	3.8%	3.9%	3.8%	***3.8%***	***3.7%***

Bank of Utica's consistently low P/E ratios reflect its OTC listing, limited liquidity, lack of management commentary, and general obscurity. These factors, rather than weak fundamentals, keep the stock's valuation multiples depressed despite what seems to be solid reported earnings. We believe this theme will persist, thus have set our fair multiple at 6x EPS.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	---	18%	16%	11%	39%	24%	23%	***22%***	***22%***

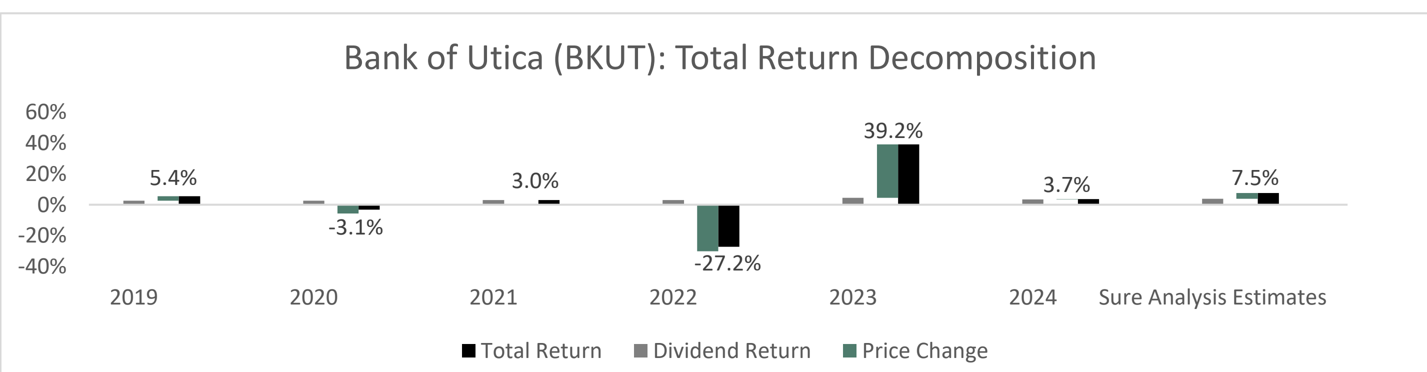
Bank of Utica offers little transparency or visibility, with no meaningful management commentary, strategic disclosures, or investor communication, which limits insight into its true safety, quality, or competitive positioning. The stock is also highly illiquid making it difficult for investors to enter or exit positions efficiently. There is no competitive advantage we can think of, and with limited data on operations beyond the balance sheet, it's challenging to assess how the bank differentiates itself beyond its securities portfolio.

That said, one major positive is Bank of Utica's remarkable 30-year track record of uninterrupted dividend growth. This consistent payout history, sustained through multiple economic cycles and downturns, demonstrates a level of financial strength, prudence, and resilience that few banks of any size can match. While much about the bank remains opaque, this dividend record speaks to its ability to navigate recessions and preserve shareholder value over the long term.

Final Thoughts & Recommendation

Bank of Utica is a conservatively run institution with a remarkable dividend growth record, but its lack of transparency, low liquidity, and reliance on securities gains make it difficult to assess or value with confidence. We forecast annualized returns of 7.5% over the medium term, powered by our growth estimates and the starting yield. Still, the investment case is highly speculative. Shares earn a buy rating, but we warn against the disclosure challenges involved.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue					35	40	57	23	33	34
SG&A Exp.					3	3	3	3	3	3
D&A Exp.					2	2	2	1	1	1
Net Profit					21	24	39	12	19	20
Net Margin					60.9%	61.0%	67.3%	49.7%	57.9%	58.7%
Income Tax					5	6	9	2	5	5

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets					1,144	1,345	1,525	1,421	1,295	1,389
Cash & Equivalents					18	27	43	45	48	54
Total Liabilities					903	1,084	1,230	1,118	979	1,058
Accounts Payable					1	1	1	1	1	2
Shareholder's Equity					241	262	296	303	316	331

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets										
Return on Equity										
ROIC										
Shares Out.										
Revenue/Share										
FCF/Share										

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.