BankUnited, Inc. (BKU)

Updated October 22nd, 2025, by Kody Kester

Key Metrics

Current Price:	$38	**5 Year CAGR Estimate:**	12.1%	**Market Cap:**	$2.9B
Fair Value Price:	$41	**5 Year Growth Estimate:**	7.5%	**Ex-Dividend Date:**	01/09/26[1]
% Fair Value:	92%	**5 Year Valuation Multiple Estimate:**	1.7%	**Dividend Payment Date:**	01/30/26[1]
Dividend Yield:	3.3%	**5 Year Price Target**	$59	**Years Of Dividend Growth:**	6
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Founded in 2009, BankUnited, Inc. (BKU) is a regional bank holding company primarily serving commercial and consumer banking needs across Florida and select markets in the Northeastern United States. The company was formerly known as BU Financial Corporation.

Through its principal subsidiary, BankUnited, N.A., the company offers a comprehensive range of financial products and services. Deposit products include checking accounts, savings accounts, money market accounts, and certificates of deposit. Loan products include commercial loans, small business loans, residential mortgages, and commercial real estate loans.

As of September 30th, 2025, the company held $34.9 billion in assets on its balance sheet. Core commercial and industrial and commercial real estate loans made up 63.6% of BKU's approximately $23.7 billion in loans. The remaining 36.4% of the company's loans were residential, mortgage warehouse lending, municipal finance, and franchise and equipment loans.

On October 22nd, BKU shared its earnings report for the third quarter ended September 30th, 2025. The company's net interest income rose by 6.8% year-over-year to $250.1 million during the quarter. That was driven by a 22-basis-point expansion in the net interest margin to 3% in the quarter. Non-interest income jumped 11.7% over the year-ago period to $25.6 million for the quarter. Higher other non-interest income made up for lower lease financing income during the quarter. BKU's diluted EPS vaulted 17.3% higher year-over-year to $0.95 in the quarter. This beat the analyst consensus for the quarter by $0.08.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$2.35	$2.09	$5.58	$2.99	$3.13	$2.06	$4.52	$3.54	$2.38	$3.08	***$3.44***	***$4.94***
DPS	$0.63	$0.84	$0.84	$0.84	$0.84	$0.90	$0.92	$0.96	$1.06	$1.14	***$1.24***	***$1.78***
Shares[2]	103.6	104.2	106.9	99.1	95.1	93.1	85.7	75.7	74.4	74.8	***75.2***	***64.6***

Since 2015, BKU has grown its diluted EPS by just over 3% annually. In the past five years, diluted EPS has compounded by about 9% annually. In the medium term, we think that diluted EPS can grow by 7.5% annually. As BKU's cost of deposits continues to improve from lower interest rates being absorbed by the economy, that should help its net interest margin to incrementally improve (this was reflected by a 7 basis point improvement in the net interest margin sequentially in Q3 2025). The company also continues to strategically bolster its corporate banking and commercial real estate lending services. BKU's latest move was its announcement in September that it was opening a new Tampa, Florida office. The new, larger office is expected to open in Q1 2026. Strategic investments like this one and the new corporate banking offices in Charlotte, North Carolina, and Morristown, New Jersey, should drive continued business growth.

---

[1] Estimated based on past dividend dates.

[2] Share count is in millions.

BankUnited, Inc. (BKU)

Updated October 22nd, 2025, by Kody Kester

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.4	18.0	7.3	10.0	11.7	16.9	9.4	9.6	13.6	12.4	***11.0***	***12.0***
Avg. Yld.	1.7%	2.2%	2.1%	2.8%	2.3%	2.6%	2.2%	2.8%	3.3%	3.0%	***3.3%***	***3.0%***

Over the last decade, BKU's shares have been priced as low as a P/E ratio in the high single-digits to as high as the upper teens. The average P/E ratio over that time was around 12. Moving forward, we believe that a valuation multiple of 12 still represents fair value. That's because BKU's growth profile is holding steady. Compared to the current P/E ratio of 11.0, shares look to be slightly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Payout	27%	40%	15%	28%	27%	44%	20%	27%	45%	37%	***36%***	***36%***

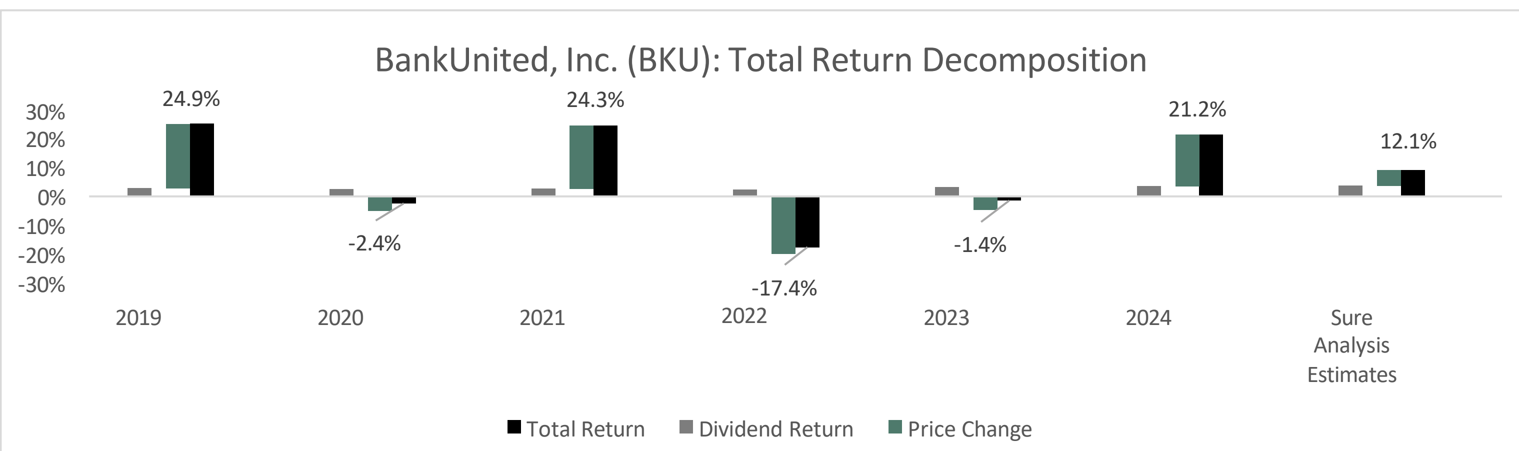
BKU's status as a leading regional bank with financial solutions tailored to customers attracts new customers and helps it retain existing customers. The company's strategic focus hinges on strengthening its commercial banking presence, serving middle-market businesses, professional service firms, and healthcare entities.

BKU's credit quality is somewhat deteriorating but remains reasonably decent, with the non-performing assets to total assets ratio sitting at 1.10% as of September 30th, 2025. That was a two-basis-point worsening on a sequential basis. Still, the company's CET1 ratio to close out Q2 2025 was up 30 basis points sequentially to 12.5% in Q3 2025. BKU's dividend payout ratio is also on course to be in the mid to high-30% range for 2025. This should give it room to extend its six-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

BKU's 3.3% dividend yield, 7.5% annual diluted EPS growth prospects, and 1.7% annual valuation multiple upside potential could generate 12.1% annual total returns through 2030. In closing, the swing from a premium to fair value to a discount to fair value explains why we're upgrading shares to a Buy rating.

Total Return Breakdown by Year



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.

BankUnited, Inc. (BKU)

Updated October 22nd, 2025, by Kody Kester

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	848	977	1,108	1,182	900	885	930	991	961	1,013
SG&A Exp.	334	401	436	536	252	239	262	284	347	352
D&A Exp.	43	56	62	64	72	73	79	78	74	
Net Profit	252	226	614	325	313	198	415	285	179	232
Net Margin	29.7%	23.1%	55.4%	27.5%	34.8%	22.4%	44.6%	28.8%	18.6%	22.9%
Free Cash Flow	32	220	219	634	572	845	1,189	1,294	657	
Income Tax	45	110	(210)	91	91	52	34	90	58	84

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	23,883	27,880	30,347	32,164	32,871	35,010	35,815	37,027	35,762	35,242
Cash & Equivalents	268	448	195	382	215	398	315	573	588	491
Goodwill & Int.	78	78	78	78	78	78	78	78	78	78
Total Liabilities	21,640	25,462	27,321	29,240	29,891	32,027	32,778	34,591	33,184	32,427
Long-Term Debt	4,401	5,632	5,165	5,190	4,876	3,813	2,596	6,113	5,797	3,639
Total Equity	2,244	2,418	3,026	2,924	2,981	2,983	3,038	2,436	2,578	2,814
LTD/E Ratio	1.96	2.33	1.71	1.78	1.64	1.28	0.85	2.51	2.25	1.29

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.2%	0.9%	2.1%	1.0%	1.0%	0.6%	1.2%	0.8%	0.5%	0.7%
Return on Equity	11.7%	9.7%	22.6%	10.9%	10.6%	6.6%	13.8%	10.4%	7.1%	8.6%
ROIC	4.2%	3.1%	7.6%	4.0%	3.9%	2.7%	6.7%	4.0%	2.1%	3.1%
Shares Out.	103	104	106	104	96	92	90	79	74	74
Revenue/Share	8.23	9.42	10.47	11.36	9.41	9.65	10.29	12.57	13.07	13.70
FCF/Share	0.31	2.12	2.07	6.09	5.98	9.21	13.15	16.42	8.94	

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