# BankUnited, Inc. (BKU)

*Updated January 21st, 2026, by Kody Kester*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $51 | **5 Year CAGR Estimate:** | 6.8% | **Market Cap:** | $3.8B |
| **Fair Value Price:** | $44 | **5 Year Growth Estimate:** | 7.5% | **Ex-Dividend Date:** | 04/10/26[1] |
| **% Fair Value:** | 116% | **5 Year Valuation Multiple Estimate:** | -2.9% | **Dividend Payment Date:** | 04/29/26[1] |
| **Dividend Yield:** | 2.4% | **5 Year Price Target** | $64 | **Years Of Dividend Growth:** | 6 |
| **Dividend Risk Score:** | B | **Sector:** | Financials | **Rating:** | Hold |

## 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 December 31st, 2025, the company held $35.0 billion in assets on its balance sheet. Core commercial and industrial and commercial real estate loans made up 68.2% of BKU's approximately $24.3 billion in loans. The remaining 31.8% of the company's loans were residential, mortgage warehouse lending, municipal finance, and franchise and equipment loans.

On January 21st, BKU released its financial results for the fourth quarter ended December 31st, 2025. The company's net interest income after provision for credit losses edged 1.9% higher over the year-ago period to $232.7 million in the quarter. A 22-basis-point expansion in the net interest margin to 3.06% was partially offset by a roughly $14 million uptick in provision for credit losses during the quarter. Non-interest income jumped 19% year-over-year to $30 million for the quarter. That was powered by higher deposit service changes and fees, as well as growth in capital markets income in the quarter. BKU's diluted EPS decreased by 1.1% over the year-ago period to $0.90 during the quarter. This beat the analyst consensus for the quarter by $0.01.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $2.09 | $5.58 | $2.99 | $3.13 | $2.06 | $4.52 | $3.54 | $2.38 | $3.08 | $3.53 | ***$3.70*** | ***$5.31*** |
| **DPS** | $0.84 | $0.84 | $0.84 | $0.84 | $0.90 | $0.92 | $0.96 | $1.06 | $1.14 | $1.22 | ***$1.24*** | ***$1.78*** |
| **Shares[2]** | 104.2 | 106.9 | 99.1 | 95.1 | 93.1 | 85.7 | 75.7 | 74.4 | 74.8 | 74.1 | ***74.1*** | ***64.6*** |

Since 2016, BKU has grown its diluted EPS by 6% annually. In the medium term, we believe that its 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 six-basis-point improvement in the net interest margin sequentially in Q4 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.

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[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 18.0 | 7.3 | 10.0 | 11.7 | 16.9 | 9.4 | 9.6 | 13.6 | 12.4 | 12.6 | ***13.9*** | ***12.0*** |
| **Avg. Yld.** | 2.2% | 2.1% | 2.8% | 2.3% | 2.6% | 2.2% | 2.8% | 3.3% | 3.0% | 2.7% | ***2.4%*** | ***2.8%*** |

Over the last decade, BKU's shares have been valued 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 13.9, shares look to now be moderately overvalued after a 34% rally since October.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 40% | 15% | 28% | 27% | 44% | 20% | 27% | 45% | 37% | 35% | ***34%*** | ***34%*** |

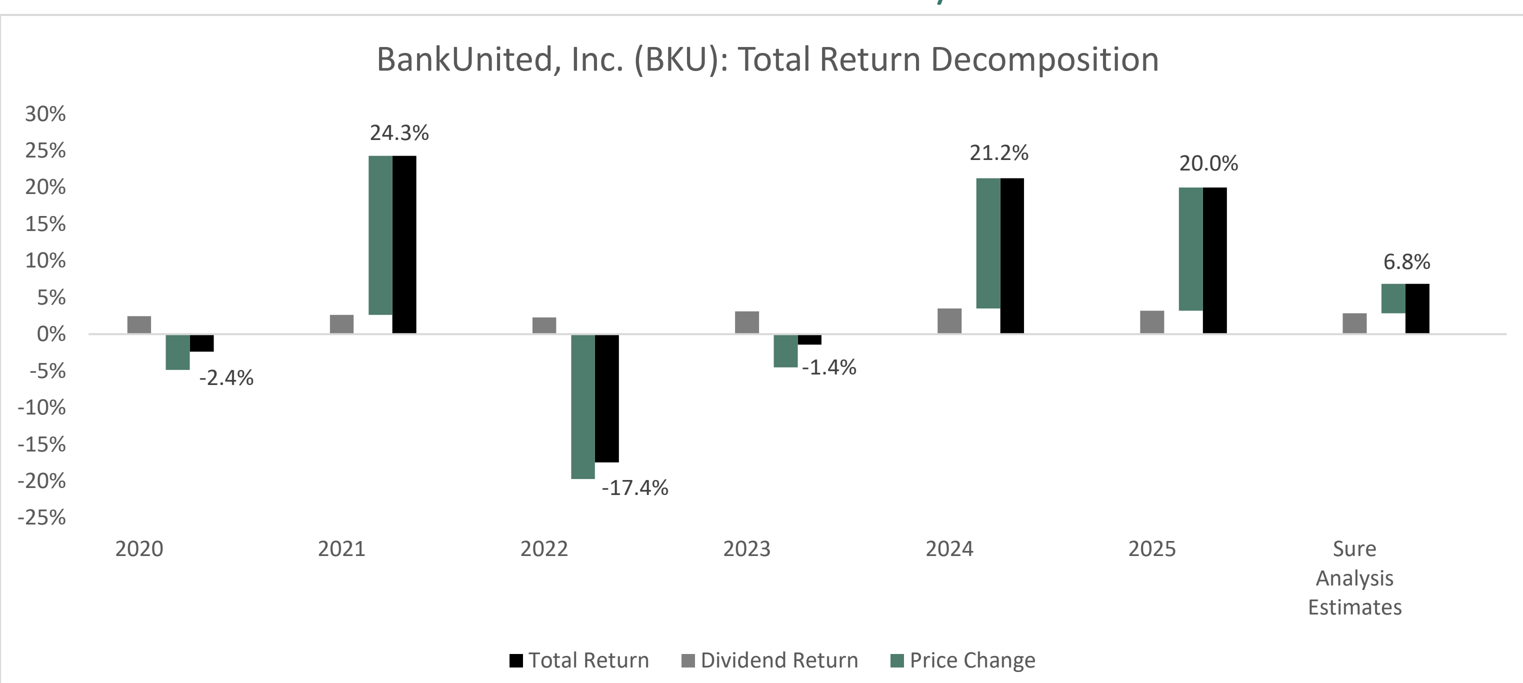
BKU's status as a leading regional bank with financial solutions tailored to customers attracts new customers and helps it retain existing customers. The company's strategic focus hinges on strengthening its commercial banking presence, serving middle-market businesses, professional service firms, and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

BKU's credit quality is decent, with the non-performing assets to total assets ratio sitting at 1.08% as of December 31st, 2025. That was a two-basis-point improvement on a sequential basis. The company's CET1 ratio to close out Q4 2025 at 12.3% was down 20 basis points sequentially. BKU's dividend payout ratio is also on course to be in the mid 30% range for 2026. This should give it room to extend its six-year dividend growth streak for the foreseeable future.

## Final Thoughts & Recommendation

BKU's 2.4% dividend yield, 7.5% annual diluted EPS growth prospects, and 2.9% annual valuation multiple downside potential could generate 6.8% annual total returns through 2031. In closing, the shift from a discount to fair value to a premium is why we're downgrading shares to a Hold 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.*

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## 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.*