BankUnited, Inc. (BKU)

Updated April 22nd, 2026, by Kody Kester

Key Metrics

Current Price:	$46	**5 Year CAGR Estimate:**	11.6%	**Market Cap:**	$3.4B
Fair Value Price:	$50	**5 Year Growth Estimate:**	7.5%	**Ex-Dividend Date:**	07/10/26[1]
% Fair Value:	92%	**5 Year Valuation Multiple Estimate:**	1.6%	**Dividend Payment Date:**	07/30/26[1]
Dividend Yield:	2.9%	**5 Year Price Target**	$71	**Years Of Dividend Growth:**	7
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 March 31st, 2026, the company held $35.4 billion in assets on its balance sheet. Core commercial and industrial and commercial real estate loans made up 68.6% of BKU's approximately $24.1 billion in loans. The remaining 31.4% of the company's loans were residential, mortgage warehouse lending, municipal finance, and franchise and equipment loans.

On April 22nd, BKU shared its earnings report for the first quarter ended March 31st, 2026. The company's net interest income after provision for credit losses edged 2.9% higher year-over-year to $224.4 million during the quarter. An 18-basis-point increase in net interest margin over the year-ago period to 2.99% and slight growth in the loan base more than offset the uptick in provision for credit losses to $24.6 million (versus $15.1 million in Q1 2025). Rather than being a structural issue, the higher provision for credit losses was due to an increase in specific reserves, related to two C&I loans in unrelated industries. BKU's non-interest income rose by 10.9% year-over-year to $24.7 million in the quarter. Greater gains on investment securities and deposit service charges/fees countered reduced lease financing and capital markets income for the quarter. BKU's diluted EPS grew by 6.4% over the year-ago period to $0.83 during the quarter. That missed the analyst consensus in the quarter by $0.13.

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	***$4.15***	***$5.96***
DPS	$0.84	$0.84	$0.84	$0.84	$0.90	$0.92	$0.96	$1.06	$1.14	$1.22	***$1.32***	***$1.90***
Shares[2]	104.2	106.9	99.1	95.1	93.1	85.7	75.7	74.4	74.8	74.1	***74.1***	***65.0***

Since 2016, BKU has grown its diluted EPS by 6% annually. In the medium term, we continue to think 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 stay around 3%. 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 opened 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.

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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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	***11.1***	***12.0***
Avg. Yld.	2.2%	2.1%	2.8%	2.3%	2.6%	2.2%	2.8%	3.3%	3.0%	2.7%	***2.9%***	***2.7%***

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 think that a valuation multiple of 12 continues to represent fair value. That's because BKU's growth profile is holding steady. Compared to the current P/E ratio of 11.1, shares have swung from moderately overvalued to undervalued.

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%	***32%***	***32%***

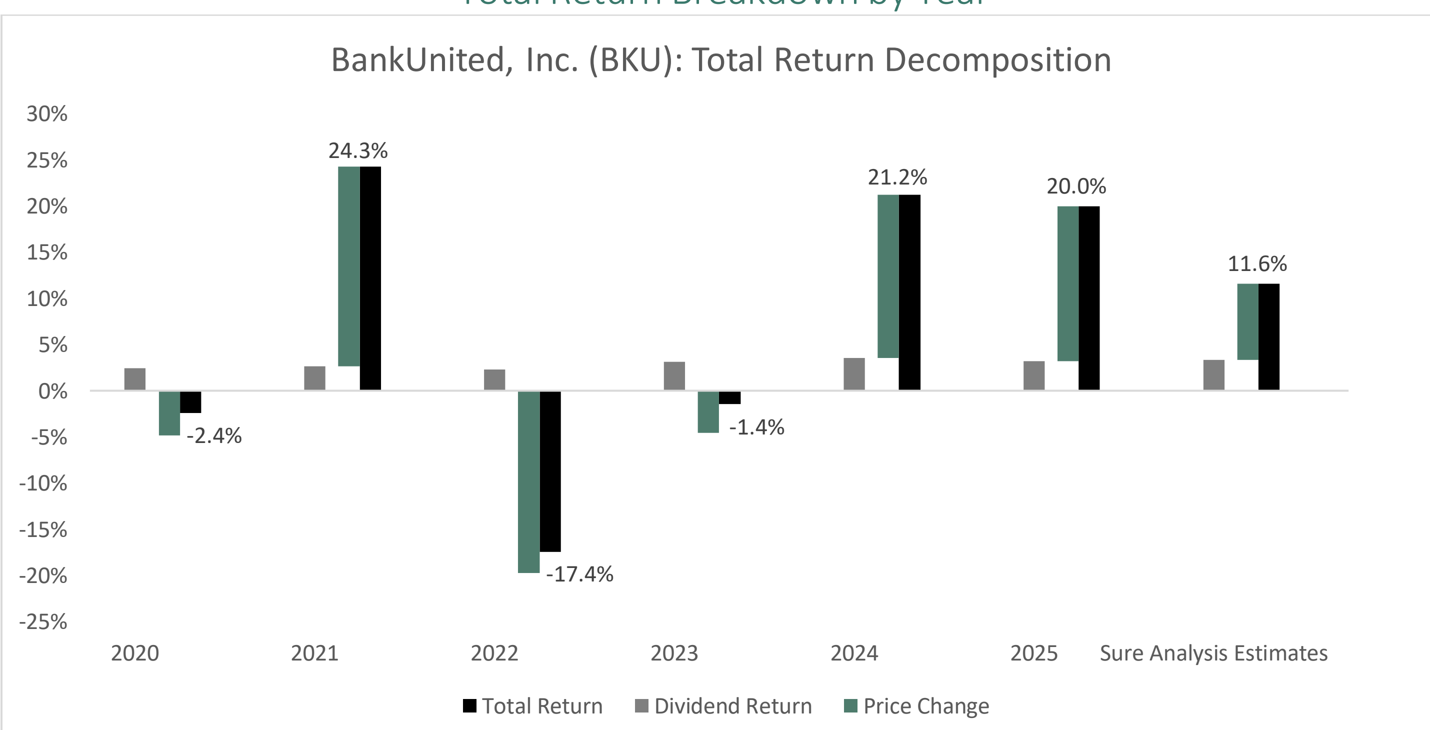
BKU's status as a leading regional bank with financial solutions tailored to customers attracts new customers and helps it retain existing customers. The company's strategic focus hinges on strengthening its commercial banking presence, serving middle-market businesses, professional service firms, and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

BKU's credit quality is decent, with the non-performing assets to total assets ratio sitting at 0.79% as of March 31st, 2026. That was a 29-basis-point improvement sequentially. The company's CET1 ratio to close out Q1 2026 at 12.2% was down 10 basis points sequentially. BKU's dividend payout ratio is also on course to be in the low 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 2.9% dividend yield, 7.5% annual diluted EPS growth prospects, and 1.6% annual valuation multiple upside potential could generate 11.6% annual total returns through 2031. As a result, we're upgrading shares back to a Buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,166	1,362	1,584	1,426	1,197	1,096	1,328	1,956	2,023	1,899
D&A Exp.	56	62	64	72	73	79	78	74	60	51
Net Profit	217	591	312	300	189	409	280	175	228	263
Net Margin	18.6%	43.4%	19.7%	21.0%	15.8%	37.3%	21.1%	9.0%	11.3%	13.8%
Free Cash Flow	204	208	521	246	260	348	870	340	434	359
Income Tax	110	(210)	91	91	52	34	90	58	84	93

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	28,063	30,494	32,293	33,017	35,194	35,985	37,196	35,895	35,338	35,127
Cash & Equivalents	40	35	9	8	20	19	16	15	12	12
Goodwill & Int.	78	78	78	78	78	78	78	78	78	78
Total Liabilities	25,645	27,468	29,369	30,036	32,211	32,948	34,760	33,317	32,524	32,073
Long-Term Debt	5,642	5,174	5,199	4,992	3,919	2,728	6,233	5,906	3,731	1,956
Total Equity	2,418	3,026	2,924	2,981	2,983	3,038	2,436	2,578	2,814	3,054
LTD/E Ratio	2.33	1.71	1.84	1.72	1.38	0.97	2.64	2.30	1.33	0.65

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.8%	2.0%	1.0%	0.9%	0.6%	1.1%	0.8%	0.5%	0.6%	0.7%
Return on Equity	9.3%	21.7%	10.5%	10.2%	6.3%	13.6%	10.2%	7.0%	8.5%	9.0%
ROIC	2.9%	7.3%	3.8%	3.7%	2.5%	6.3%	3.8%	2.0%	3.0%	4.5%
Shares Out.	104.2	106.9	99.1	95.1	93.1	85.7	75.7	74.4	74.8	74.1
Revenue/Share	11.25	12.87	15.22	14.91	13.05	12.13	16.85	26.61	27.35	25.56
FCF/Share	1.97	1.97	5.01	2.58	2.84	3.85	11.04	4.62	5.86	4.83

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