

# ModernGraham Valuation



**Company Name:** Cullen/Frost Bankers, Inc.

Company Ticker CFR

Date of Analysis

12/7/2016

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,560,311,623	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	30.15%	Fail
5. Moderate PEmg Ratio	PEmg < 20	20.26	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.73	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	4.27
MG Growth Estimate	3.02%
<b>MG Value</b>	<b>\$62.02</b>
MG Value based on 3% Growth	\$61.87
MG Value based on 0% Growth	\$36.27
Market Implied Growth Rate	5.88%

### MG Opinion

Current Price	\$86.46
% of Intrinsic Value	139.41%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

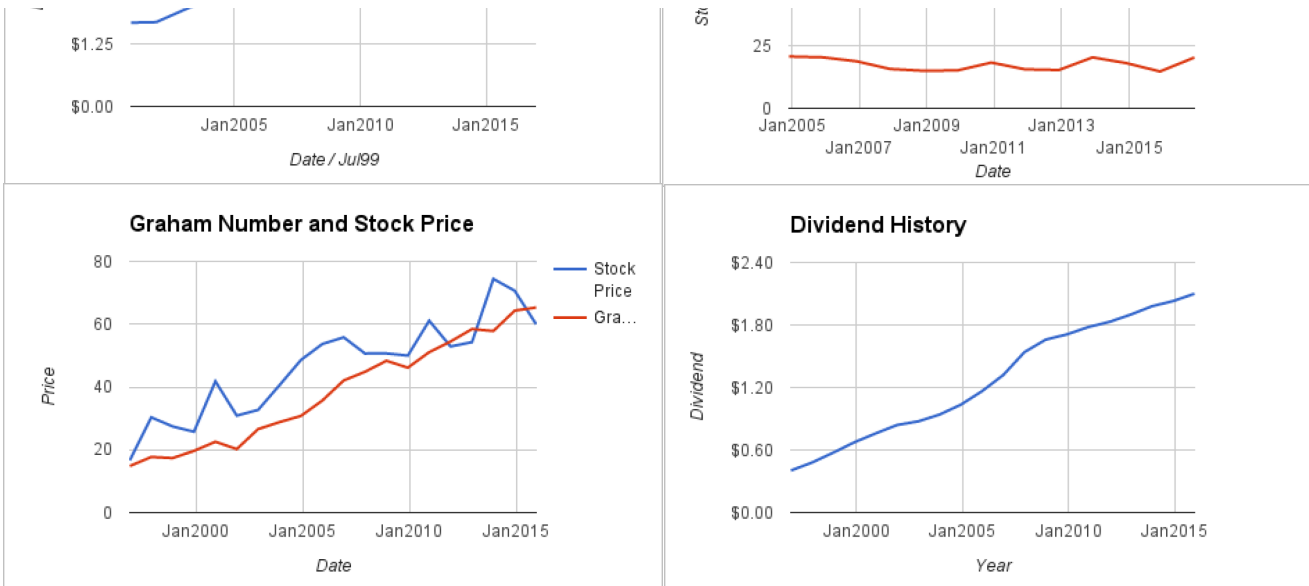
Graham Number	\$69.78
PEmg	20.26
PB Ratio	1.73
Dividend Yield	2.48%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.51	Next Fiscal Year Estimate	\$4.27
Dec2015	\$4.28	Dec2015	\$4.08





**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

**Recommended Reading:**

Other ModernGraham posts about the company

#N/A

Other ModernGraham posts about related companies

- [Citizens Financial Group Inc Valuation – Initial Coverage \\$CFG](#)
- [BB&T Corporation Valuation – November 2016 \\$BBT](#)
- [SunTrust Banks Inc Valuation – August 2016 \\$STI](#)
- [Comerica Inc Valuation – August 2016 \\$CMA](#)
- [US Bancorp Valuation – August 2016 \\$USB](#)
- [Bank of New York Mellon Corp Valuation – August 2016 \\$BK](#)
- [Best Stocks to Invest In: the Bank Industry – August 2016](#)
- [JPMorgan Chase & Co Valuation – July 2016 \\$JPM](#)
- [Dominion Resources Inc Valuation – July 2016 \\$D](#)
- [M&T Bank Corp Valuation – July 2016 \\$MTB](#)