

ModernGraham Valuation

Company Name:

Capital One
Financial Corp.

Company Ticker COF

Date of Analysis

1/29/2016



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	\$33,942,118,343	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	388.96%	Pass
4. Earnings Growth	PEmg < 20	9.06	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.73	Pass
6. Moderate Price to Assets			

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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	7.17
MG Growth Estimate	5.87%
MG Value	\$145.17
MG Value based on 3% Growth	\$103.98
MG Value based on 0% Growth	\$60.95
Market Implied Growth Rate	0.28%

MG Opinion

Current Price	\$64.94
% of Intrinsic Value	44.73%
Opinion	Undervalued

Stage 3: Information for Further Research

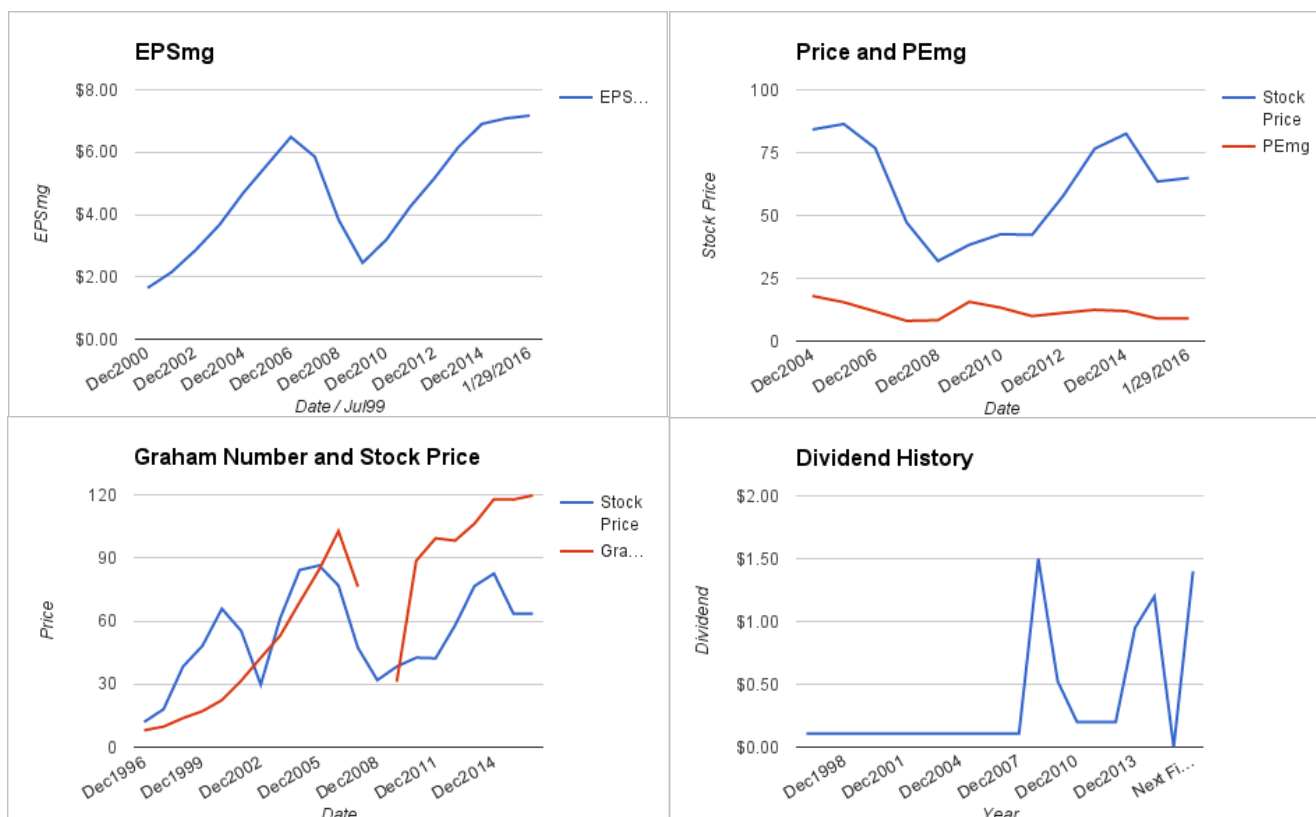
Graham Number	\$119.67
PEmg	9.06
PB Ratio	0.73
Dividend Yield	2.16%
Number of Consecutive Years of Dividend Growth	1

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.20	Next Fiscal Year Estimate	\$7.17
Dec2015	\$7.21	Dec2015	\$7.08
Dec2014	\$7.59	Dec2014	\$6.9
Dec2013	\$6.89	Dec2013	\$6.15
Dec2012	\$6.16	Dec2012	\$5.15
Dec2011	\$6.80	Dec2011	\$4.25
Dec2010	\$6.01	Dec2010	\$3.20
Dec2009	\$0.74	Dec2009	\$2.45
Dec2008	-\$0.21	Dec2008	\$3.82
Dec2007	\$3.97	Dec2007	\$5.85
Dec2006	\$7.62	Dec2006	\$6.49
Dec2005	\$6.73	Dec2005	\$5.59
Dec2004	\$6.21	Dec2004	\$4.69
Dec2003	\$4.85	Dec2003	\$3.66
Dec2002	\$3.93	Dec2002	\$2.85
Dec2001	\$2.91	Dec2001	\$2.15
Dec2000	\$2.24	Dec2000	\$1.65
Dec1999	\$1.72	Balance Sheet Information	Dec2015
Dec1998	\$1.32	Long-Term Debt	\$58,134,000,000
Dec1997	\$0.93	Total Assets	\$334,048,000,000
Dec1996	\$0.77	Intangible Assets	\$14,480,000,000
		Total Liabilities	\$286,764,000,000
		Shares Outstanding (Diluted Average)	534,910,000





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:

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ModernGraham
posts about the
company

[10 Low PE Stocks for the Enterprising Investor – January 2016](#)
[Capital One Financial Corporation Analysis – August 2015 Update \\$COF](#)
[10 Low PE Stocks for the Enterprising Investor – August 2015](#)
[The 12 Best Stocks For Value Investors This Week – 5/30/15](#)
[Capital One Financial Stock Analysis – May 2015 Quarterly Update \\$COF](#)

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[Invesco Ltd Valuation – January 2016 Update \\$IVZ](#)
[Legg Mason Inc Valuation – December 2015 Update \\$LM](#)
[Visa Inc Valuation – November 2015 Update \\$V](#)
[Ameriprise Financial Inc. Valuation – November 2015 Update \\$AMP](#)
[BlackRock Inc. Valuation – November 2015 Update \\$BLK](#)
[Goldman Sachs Group Inc. Valuation – November 2015 Update \\$GS](#)
[American Express Company Valuation – October 2015 Update \\$AXP](#)