

ModernGraham Valuation

Company Name:

Company Ticker COF
Date of Analysis

Capital One
Financial Corp.

7/6/2016



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	\$30,334,738,162	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
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	384.67%	Pass
5. Moderate PEmg Ratio	PEmg < 20	8.60	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.68	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	7.13
MG Growth Estimate	5.74%
MG Value	\$142.36
MG Value based on 3% Growth	\$103.32
MG Value based on 0% Growth	\$60.57
Market Implied Growth Rate	0.05%

MG Opinion

Current Price	\$61.28
% of Intrinsic Value	43.04%
Opinion	Undervalued
MG Grade	B

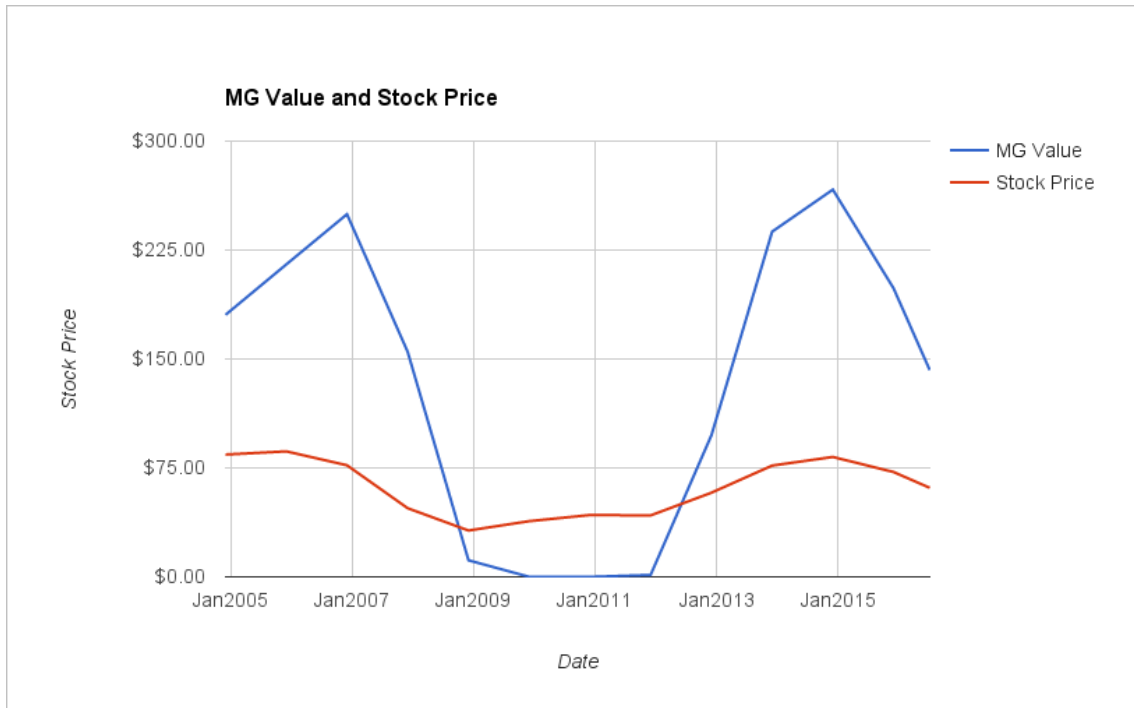
Stage 3: Information for Further Research

Graham Number	\$122.14
PEmg	8.60
PB Ratio	0.68
Dividend Yield	2.61%
Number of Consecutive Years of Dividend Growth	4

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	\$7.15	Next Fiscal Year Estimate	\$7.13
Dec2015	\$7.07	Dec2015	\$7.05
Dec2014	\$7.59	Dec2014	\$6.93
Dec2013	\$6.96	Dec2013	\$6.17
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	\$1.64
Dec1999	\$1.72	Balance Sheet Information 3/1/2016	
Dec1998	\$1.32	Long-Term Debt	\$49,580,000,000
Dec1997	\$0.93	Total Assets	\$330,346,000,000
Dec1996	\$0.77	Intangible Assets	\$14,492,000,000
		Total Liabilities	\$282,639,000,000
		Shares Outstanding (Diluted Average)	528,000,000





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:

Other ModernGraham posts about the company

- [Stocks Trading Below Their Graham Number – June 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – June 2016](#)
- [Stocks Trading Below Their Graham Number – May 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – May 2016](#)
- [Stocks Trading Below Their Graham Number – March 2016](#)

Other ModernGraham posts about related companies

- [Fifth Third Bancorp Valuation – July 2016 \\$FITB](#)
- [Zions Bancorp Valuation – June 2016 \\$ZION](#)
- [Regions Financial Corp – June 2016 \\$RF](#)
- [Wells Fargo & Co Valuation – June 2016 \\$WFC](#)
- [Huntington Bancshares Inc Valuation – June 2016 \\$HBAN](#)
- [State Street Corp Valuation – June 2016 \\$STT](#)
- [KeyCorp Valuation – June 2016 \\$KEY](#)
- [PNC Financial Services Group Inc Valuation – June 2016 \\$PNC](#)
- [People's United Financial Inc Valuation – June 2016 \\$PBCT](#)
- [BB&T Corporation Valuation – May 2016 \\$BBT](#)