

ModernGraham Valuation

Company Name:

Company Ticker STI
Date of Analysis

SunTrust Banks,
Inc.

8/25/2016



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	\$21,242,428,319	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	277.59%	Pass
5. Moderate PEmg Ratio	PEmg < 20	13.00	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.89	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	3.29
MG Growth Estimate	15.00%
MG Value	\$126.84
MG Value based on 3% Growth	\$47.77
MG Value based on 0% Growth	\$28.00
Market Implied Growth Rate	2.25%

MG Opinion

Current Price	\$42.84
% of Intrinsic Value	33.77%
Opinion	Undervalued
MG Grade	B

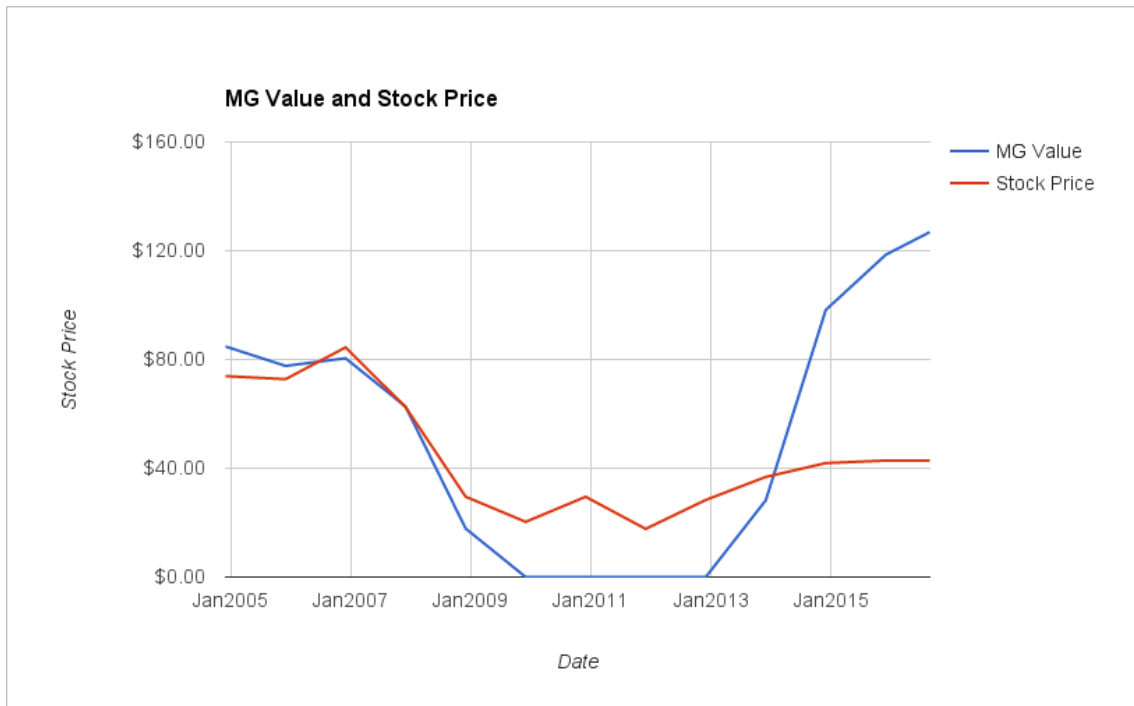
Stage 3: Information for Further Research

Graham Number	\$59.54
PEmg	13.00
PB Ratio	0.89
Dividend Yield	2.24%
Number of Consecutive Years of Dividend Growth	6

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	\$3.40	Next Fiscal Year Estimate	\$3.29
Dec2015	\$3.58	Dec2015	\$3.08
Dec2014	\$3.23	Dec2014	\$2.55
Dec2013	\$2.41	Dec2013	\$1.66
Dec2012	\$3.59	Dec2012	\$1.02
Dec2011	\$0.94	Dec2011	\$0.06
Dec2010	-\$0.18	Dec2010	\$0.30
Dec2009	-\$3.97	Dec2009	\$1.29
Dec2008	\$2.12	Dec2008	\$4.16
Dec2007	\$4.55	Dec2007	\$5.17
Dec2006	\$5.82	Dec2006	\$5.38
Dec2005	\$5.47	Dec2005	\$5.09
Dec2004	\$5.19	Dec2004	\$4.84
Dec2003	\$4.73	Dec2003	\$4.61
Dec2002	\$4.66	Dec2002	\$4.43
Dec2001	\$4.72	Dec2001	\$4.15
Dec2000	\$4.30	Dec2000	\$3.72
Dec1999	\$4.13	Balance Sheet Information 6/1/2016	
Dec1998	\$3.04	Long-Term Debt & Capital Lease Obligation	\$12,264,000,000
Dec1997	\$3.04	Total Assets	\$198,892,000,000
Dec1996	\$2.59	Intangible Assets	\$7,412,000,000
		Total Liabilities	\$174,428,000,000
		Shares Outstanding (Diluted Average)	505,633,000





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

- [Best Stocks to Invest In: the Bank Industry – August 2016](#)
- [Stocks Trading Below Their Graham Number – March 2016](#)
- [SunTrust Banks Inc Valuation – February 2016 \\$STI](#)
- [Stocks Trading Below Their Graham Number – February 2016](#)
- [12 Best Stocks For Value Investors This Week – 11/14/15](#)

Other ModernGraham posts about related companies

- [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](#)
- [Citigroup Inc Valuation – July 2016 \\$C](#)
- [Bank of America Corp Valuation – July 2016 \\$BAC](#)
- [Fifth Third Bancorp Valuation – July 2016 \\$FITB](#)