

# ModernGraham Valuation

Company Name:

U.S. Bancorp

Company Ticker USB

Date of Analysis

8/16/2016



## 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	\$74,060,969,549	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	88.02%	Pass
5. Moderate PEmg Ratio	PEmg < 20	13.84	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.57	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>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	3.11
MG Growth Estimate	6.33%
<b>MG Value</b>	<b>\$65.78</b>
MG Value based on 3% Growth	\$45.07
MG Value based on 0% Growth	\$26.42
Market Implied Growth Rate	2.67%

### MG Opinion

Current Price	\$43.02
% of Intrinsic Value	65.40%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C+</b>

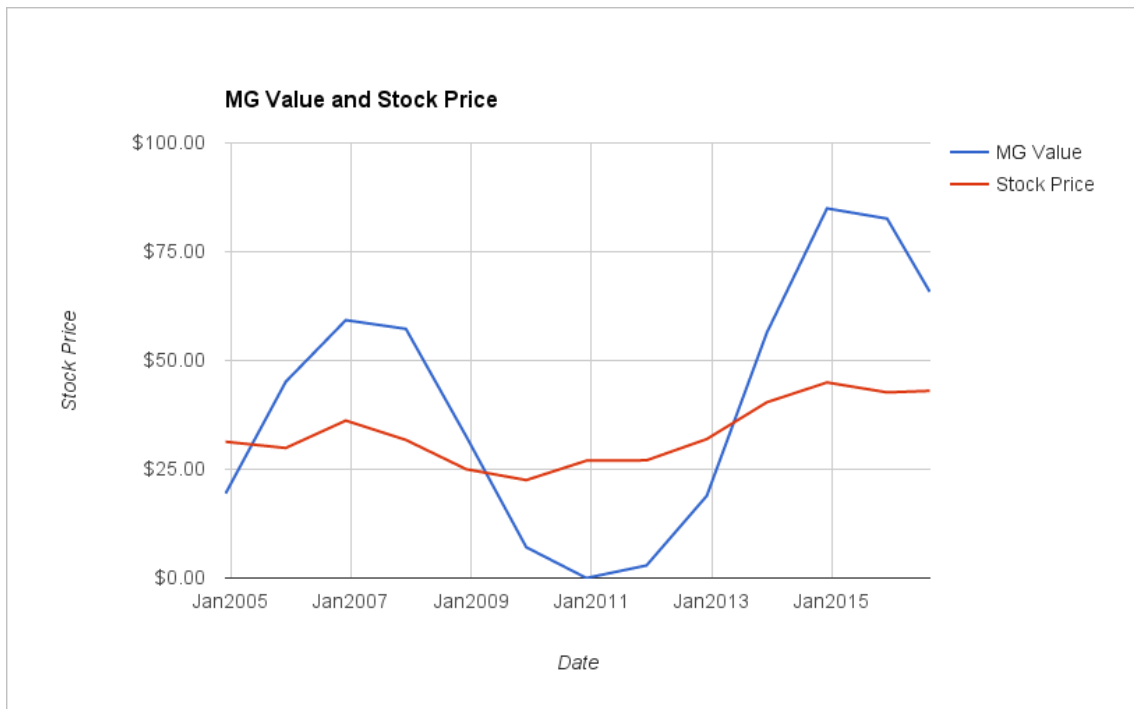
## Stage 3: Information for Further Research

Graham Number	\$41.67
PEmg	13.84
PB Ratio	1.57
Dividend Yield	2.37%
Number of Consecutive Years of Dividend Growth	6

### 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	\$3.18	Next Fiscal Year Estimate	\$3.11
Dec2015	\$3.16	Dec2015	\$3.02
Dec2014	\$3.08	Dec2014	\$2.84
Dec2013	\$3.00	Dec2013	\$2.54
Dec2012	\$2.84	Dec2012	\$2.19
Dec2011	\$2.46	Dec2011	\$1.85
Dec2010	\$1.73	Dec2010	\$1.66
Dec2009	\$0.97	Dec2009	\$1.75
Dec2008	\$1.61	Dec2008	\$2.17
Dec2007	\$2.43	Dec2007	\$2.41
Dec2006	\$2.61	Dec2006	\$2.32
Dec2005	\$2.42	Dec2005	\$2.05
Dec2004	\$2.18	Dec2004	\$1.79
Dec2003	\$1.93	Dec2003	\$1.60
Dec2002	\$1.65	Dec2002	\$1.48
Dec2001	\$0.88	Dec2001	\$1.42
Dec2000	\$1.50	Dec2000	\$1.66
Dec1999	\$2.06	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$1.78	Long-Term Debt & Capital Lease Obligation	\$36,941,000,000
Dec1997	\$1.11	Total Assets	\$438,463,000,000
Dec1996	\$1.57	Intangible Assets	\$44,420,000,000
		Total Liabilities	\$391,073,000,000
		Shares Outstanding (Diluted Average)	1,731,000,000





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**

- [Best Stocks to Invest In: the Bank Industry – August 2016](#)
- [5 Companies for the Defensive Investor Near 52 Week Lows – July 2016](#)
- [15 Best Stocks For Value Investors This Week – 2/13/16](#)
- [U.S. Bancorp Valuation – February 2016 \\$USB](#)
- [12 Best Stocks For Value Investors This Week – 11/7/15](#)

**Other ModernGraham posts about related companies**

- [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](#)
- [Zions Bancorp Valuation – June 2016 \\$ZION](#)
- [Regions Financial Corp – June 2016 \\$RF](#)