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

Increase of 33% in EPS in past 10 years using 3 year averages at

4. Earnings Growth 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 StabilityPositive EPS for 5 years priorPass2. Dividend RecordCurrently Pays DividendPass3. Earnings GrowthEPSmg greater than 5 years agoPass

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

 EPSmg
 4.27

 MG Growth Estimate
 3.02%

 MG Value
 \$62.02

 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%

Opinion Overvalued

MG Grade 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: ModernGraham tagged articles Morningstar

 Google Finance
 MSN Money

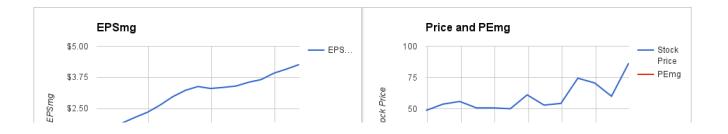
 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

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

Dec2014	\$4.29	Dec2014	\$3.92
Dec2013	\$3.80	Dec2013	\$3.66
Dec2012	\$3.86	Dec2012	\$3.55
Dec2011	\$3.54	Dec2011	\$3.40
Dec2010	\$3.44	Dec2010	\$3.35
Dec2009	\$3.00	Dec2009	\$3.30
Dec2008	\$3.50	Dec2008	\$3.38
Dec2007	\$3.55	Dec2007	\$3.23
Dec2006	\$3.42	Dec2006	\$2.97
Dec2005	\$3.07	Dec2005	\$2.64
Dec2004	\$2.66	Dec2004	\$2.35
Dec2003	\$2.48	Dec2003	\$2.14
Dec2002	\$2.29	Dec2002	\$1.92
Dec2001	\$1.57	Dec2001	\$1.69
Dec2000	\$2.03	Dec2000	\$1.68
Dec1999	\$1.78	Balance Sheet Information	9/1/2016
Dec1998	\$1.38	Long-Term Debt & Capital Lease Obligation	\$236,072,000
Dec1997	\$1.34	Total Assets	\$29,602,912,000
Dec1996	\$1.16	Intangible Assets	\$661,599,000
		Total Liabilities	\$26,441,116,000
		Shares Outstanding (Diluted Average)	63,141,000







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 #N/A

Other ModernGraham posts about related companies <u>Citizens Financial Group Inc Valuation - Initial Coverage \$CFG</u>

BB&T Corporation Valuation – November 2016 \$BBT

SunTrust Banks Inc Valuation - August 2016 \$STI

Comerica Inc Valuation - August 2016 \$CMA

<u>US Bancorp Valuation – August 2016 \$USB</u>

<u>Bank of New York Mellon Corp Valuation – August 2016 \$BK</u>

Best Stocks to Invest In: the Bank Industry - August 2016

JPMorgan Chase & Co Valuation – July 2016 \$JPM

<u>Dominion Resources Inc Valuation – July 2016 \$D</u>

M&T Bank Corp Valuation – July 2016 \$MTB