

ModernGraham Valuation

Company Name:

U.S. Bancorp

Company Ticker USB

Date of Analysis

2/3/2017



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	\$91,376,615,020	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 beginning and end	126.91%	Pass
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	16.60	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.93	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.23
MG Growth Estimate	4.06%
MG Value	\$53.73
MG Value based on 3% Growth	\$46.88
MG Value based on 0% Growth	\$27.48
Market Implied Growth Rate	4.05%

MG Opinion

Current Price	\$53.66
% of Intrinsic Value	99.86%
Opinion	Fairly Valued
MG Grade	C+

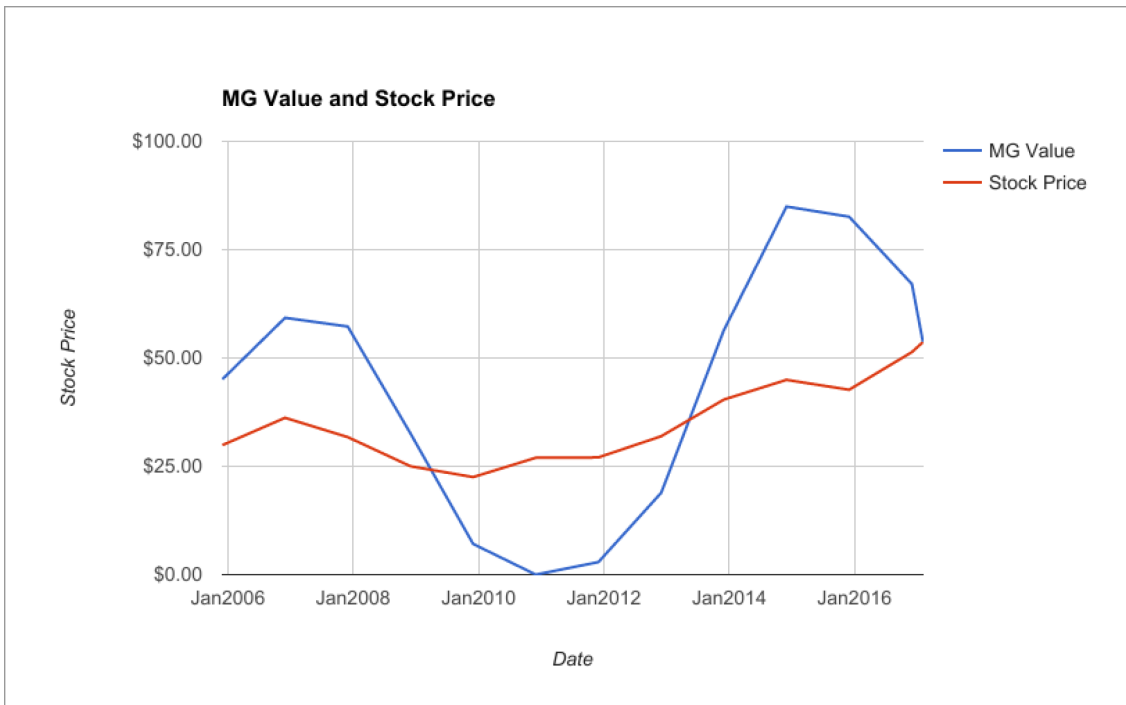
Stage 3: Information for Further Research

Graham Number	\$43.28
PEmg	16.60
PB Ratio	1.93
Dividend Yield	1.99%
Number of Consecutive Years of Dividend Growth	7

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	\$3.38	Next Fiscal Year Estimate	\$3.23
Dec2016	\$3.24	Dec2016	\$3.13
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		
Dec1999	\$2.06		
Dec1998	\$1.78		
Dec1997	\$1.11		
		Balance Sheet Information	12/1/2016
		Long-Term Debt & Capital Lease Obligation	\$33,323,000,000
		Total Assets	\$445,964,000,000
		Intangible Assets	\$12,647,000,000
		Total Liabilities	\$398,666,000,000
		Shares Outstanding (Diluted Average)	1,705,000,000





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

- [Canadian Imperial Bank of Commerce Valuation – Initial Coverage \\$TSE:CM](#)
- [SVB Financial Group Valuation – Initial Coverage \\$SIVB](#)
- [Bank of New York Mellon Corp Valuation – January 2017 \\$BK](#)
- [Simmons First National Corporation Valuation – Initial Coverage \\$SFNC](#)
- [ServisFirst Bancshares Inc Valuation – Initial Coverage \\$SFBS](#)
- [Ingredion Inc Valuation – Initial Coverage \\$INGR](#)
- [City Holding Company Valuation – Initial Coverage \\$CHCO](#)
- [Southside Bancshares Inc Valuation – Initial Coverage \\$SBSI](#)
- [Independent Bank Corp Valuation – Initial Coverage \\$INDB](#)
- [Cullen/Frost Bankers Inc Valuation – Initial Coverage \\$CFR](#)