

# ModernGraham Valuation

SunTrust Banks,  
Inc.



Company Name:

Company Ticker STI

Date of Analysis

4/11/2017

## 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	\$26,681,283,758	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	-638.99%	Fail
5. Moderate PEmg Ratio	PEmg < 20	15.59	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.17	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>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	3.51
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$135.29</b>
MG Value based on 3% Growth	\$50.95
MG Value based on 0% Growth	\$29.87
Market Implied Growth Rate	3.54%

### MG Opinion

Current Price	\$54.78
% of Intrinsic Value	40.49%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

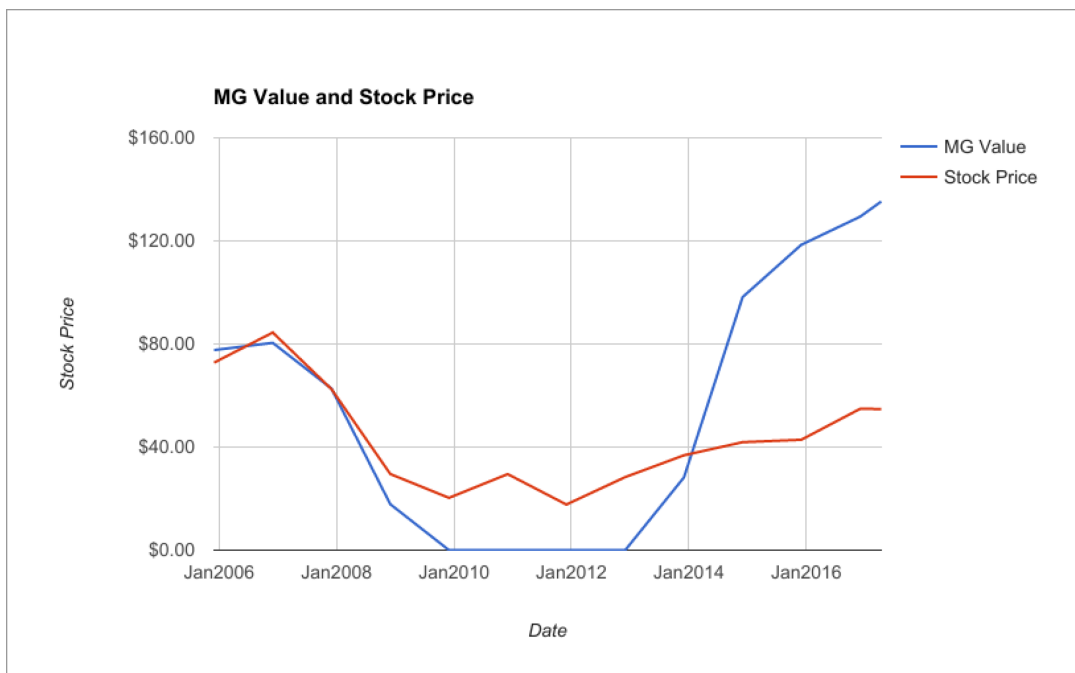
## Stage 3: Information for Further Research

Graham Number	\$61.96
PEmg	15.59
PB Ratio	1.17
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	7

### 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	\$3.74	Next Fiscal Year Estimate	\$3.51
Dec2016	\$3.60	Dec2016	\$3.36
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		
Dec1999	\$4.13		
Dec1998	\$3.04		
Dec1997	\$3.04		
		<b>Balance Sheet Information 12/1/2016</b>	
		Long-Term Debt & Capital Lease Obligation	\$11,748,000,000
		Total Assets	\$204,875,000,000
		Intangible Assets	\$7,994,000,000
		Total Liabilities	\$181,257,000,000
		Shares Outstanding (Diluted Average)	503,466,000





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

- [Texas Capital Bancshares Inc Valuation – Initial Coverage \\$TCBI](#)
- [TCF Financial Corp Valuation – Initial Coverage \\$TCB](#)
- [Canadian Western Bank Valuation – Initial Coverage \\$TSE:CWB](#)
- [CVB Financial Corp Valuation – Initial Coverage \\$CVBF](#)
- [Customers Bancorp Inc Valuation – Initial Coverage \\$CUBI](#)
- [Comerica Inc Valuation – March 2017 \\$CMA](#)
- [Sterling Bancorp Valuation – Initial Coverage \\$STL](#)
- [S&T Bancorp Inc Valuation – Initial Coverage \\$STBA](#)
- [Central Pacific Financial Corp Valuation – Initial Coverage \\$CPF](#)
- [Synovus Financial Corp Valuation – Initial Coverage \\$SNV](#)