

ModernGraham Valuation

Company Name:

Capital One
Financial Corp.

Company Ticker COF
Date of Analysis

3/2/2018



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	\$46,884,456,908	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	45.39%	Pass
4. Earnings Growth	PEmg < 20	14.09	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.97	Pass
6. Moderate Price to Assets			

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	Fail

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	6.86
MG Growth Estimate	-0.07%
MG Value	\$57.37
MG Value based on 3% Growth	\$99.53
MG Value based on 0% Growth	\$58.34
Market Implied Growth Rate	2.80%

MG Opinion

Current Price	\$96.72
% of Intrinsic Value	168.59%
Opinion	Overvalued
MG Grade	B

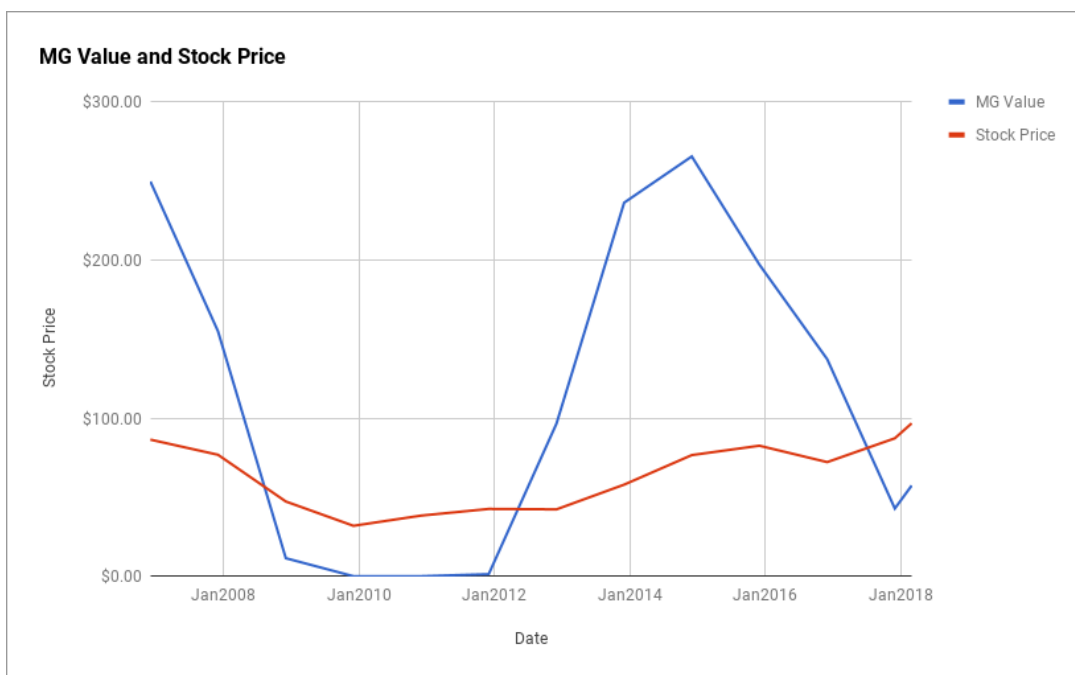
Stage 3: Information for Further Research

Graham Number	\$145.08
PEmg	14.09
PB Ratio	0.97
Dividend Yield	1.65%
Number of Consecutive Years of Dividend Growth	5

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	\$9.32	Next Fiscal Year Estimate	\$6.86
Dec2017	\$3.49	Dec2017	\$5.89
Dec2016	\$6.89	Dec2016	\$7.03
Dec2015	\$7.07	Dec2015	\$7.03
Dec2014	\$7.59	Dec2014	\$6.90
Dec2013	\$6.89	Dec2013	\$6.14
Dec2012	\$6.11	Dec2012	\$5.14
Dec2011	\$6.80	Dec2011	\$4.25
Dec2010	\$6.01	Dec2010	\$3.20
Dec2009	\$0.74	Dec2009	\$2.45
Dec2008	-\$0.21	Dec2008	\$3.82
Dec2007	\$3.97	Dec2007	\$5.85
Dec2006	\$7.62	Dec2006	\$6.49
Dec2005	\$6.73	Dec2005	\$5.59
Dec2004	\$6.21	Dec2004	\$4.69
Dec2003	\$4.85	Dec2003	\$3.66
Dec2002	\$3.93	Dec2002	\$2.85
Dec2001	\$2.91	Balance Sheet Information 12/1/2017	
Dec2000	\$2.24	Long-Term Debt & Capital Lease Obligation	\$59,705,000,000
Dec1999	\$1.72	Total Assets	\$365,693,000,000
Dec1998	\$1.32	Intangible Assets	\$14,533,000,000
		Total Liabilities	\$316,963,000,000
		Shares Outstanding (Diluted Average)	490,100,000





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

[Capital One Financial Corp Valuation – July 2016 \\$COF](#)
[Stocks Trading Below Their Graham Number – June 2016](#)
[10 Low PE Stocks for the Enterprising Investor – June 2016](#)
[Stocks Trading Below Their Graham Number – May 2016](#)
[10 Low PE Stocks for the Enterprising Investor – May 2016](#)

Other ModernGraham posts about related companies

[Total System Services Inc Valuation – February 2018 \\$TSS](#)
[Visa Inc Valuation – February 2018 \\$V](#)
[Goldman Sachs Group Inc Valuation – February 2018 \\$GS](#)
[American Express Co. Valuation – February 2018 \\$AXP](#)
[Encore Capital Group Inc Valuation – Initial Coverage \\$ECPG](#)
[T.Rowe Price Group Inc Valuation – July 2017 \\$TROW](#)
[T.Rowe Price Group Inc Valuation – June 2017 \\$TROW](#)
[Tricon Capital Group Inc Valuation – Initial Coverage \\$TSE:TCN](#)
[Moody's Corporation Valuation – March 2017 \\$MCO](#)
[KKR & Co Ltd Valuation – March 2017 \\$KKR](#)