

# ModernGraham Valuation

Canadian Western  
Bank



## Company Name:

Company Ticker TSE:CWB

Date of Analysis

3/12/2018

## 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	\$3,151,882,003	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	37.66%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.81	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.29	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	2.77
MG Growth Estimate	2.58%
<b>MG Value</b>	<b>\$37.87</b>
MG Value based on 3% Growth	\$40.22
MG Value based on 0% Growth	\$23.58
Market Implied Growth Rate	2.15%

### MG Opinion

Current Price	\$35.53
% of Intrinsic Value	93.81%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>A-</b>

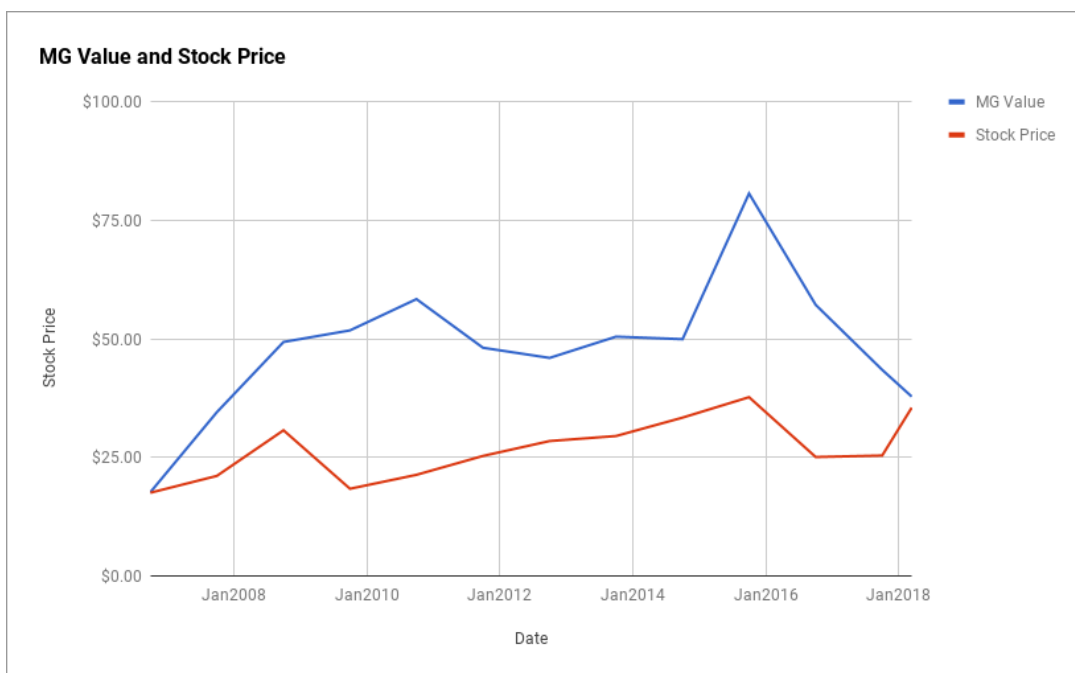
## Stage 3: Information for Further Research

Graham Number	\$40.79
PEmg	12.81
PB Ratio	1.29
Dividend Yield	2.62%
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	\$2.98	Next Fiscal Year Estimate	\$2.77
Oct2017	\$2.42	Oct2017	\$2.69
Oct2016	\$2.13	Oct2016	\$2.77
Oct2015	\$3.97	Oct2015	\$2.94
Oct2014	\$2.70	Oct2014	\$2.37
Oct2013	\$2.35	Oct2013	\$2.14
Oct2012	\$2.22	Oct2012	\$1.97
Oct2011	\$1.95	Oct2011	\$1.80
Oct2010	\$2.05	Oct2010	\$1.67
Oct2009	\$1.47	Oct2009	\$1.42
Oct2008	\$1.58	Oct2008	\$1.32
Oct2007	\$1.50	Oct2007	\$1.12
Oct2006	\$1.13	Oct2006	\$0.88
Oct2005	\$0.87	Oct2005	\$0.73
Oct2004	\$0.75	Oct2004	\$0.67
Oct2003	\$0.67	Oct2003	\$0.64
Oct2002	\$0.54	Oct2002	\$0.64
Oct2001	\$0.58		
Oct2000	\$0.86		
Oct1999	\$0.66		
Oct1998	\$0.68		
		<b>Balance Sheet Information 10/1/2017</b>	
		Long-Term Debt & Capital Lease Obligation	\$1,476,336,000
		Total Assets	\$26,447,453,000
		Intangible Assets	\$80,638,000
		Total Liabilities	\$23,986,408,000
		Shares Outstanding (Diluted Average)	89,114,000





**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**
- [10 Low PE Stock Picks for the Defensive Investor – August 2017](#)
  - [6 Best Stocks for Value Investors This Week – 3/26/17](#)
  - [Canadian Western Bank Valuation – Initial Coverage \\$TSE:CWB](#)

- Other ModernGraham posts about related companies**
- [Simmons First National Corp Valuation – March 2018 \\$SFNC](#)
  - [Citigroup Inc Valuation – March 2018 \\$C](#)
  - [People’s United Financial Inc Valuation – March 2018 \\$PBCT](#)
  - [JPMorgan Chase & Co Valuation – February 2018 \\$JPM](#)
  - [Opus Bank Valuation – Initial Coverage \\$OPB](#)
  - [Wells Fargo & Co Valuation – August 2017 \\$WFC](#)
  - [Old National Bancorp Valuation – Initial Coverage \\$ONB](#)
  - [Dime Community Bancshares Inc Valuation – Initial Coverage \\$DCOM](#)
  - [LegacyTexas Financial Group Inc Valuation – Initial Coverage \\$LTXB](#)
  - [SunTrust Banks Inc Valuation – April 2017 \\$STI](#)