

ModernGraham Valuation

SunTrust Banks,
Inc.



Company Name:

Company Ticker STI

Date of Analysis

6/25/2018

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	\$30,443,756,346	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	-509.01%	Fail
5. Moderate PEmg Ratio	PEmg < 20	15.48	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.30	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	4.30
MG Growth Estimate	10.31%
MG Value	\$125.39
MG Value based on 3% Growth	\$62.42
MG Value based on 0% Growth	\$36.59
Market Implied Growth Rate	3.49%

MG Opinion

Current Price	\$66.64
% of Intrinsic Value	53.14%
Opinion	Undervalued
MG Grade	B+

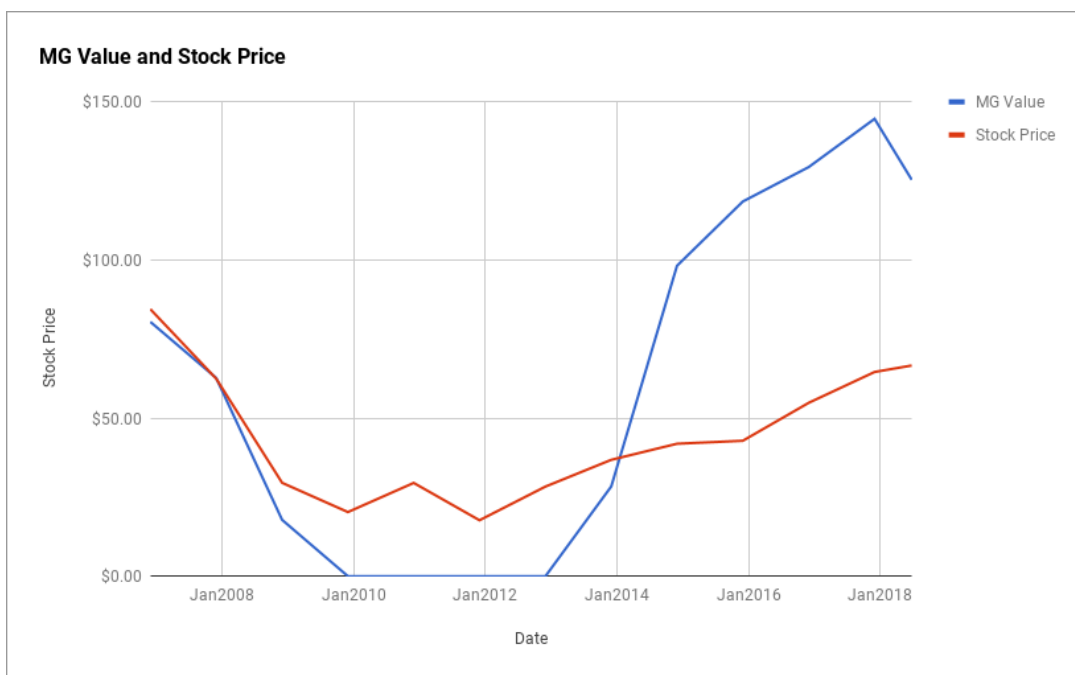
Stage 3: Information for Further Research

Graham Number	\$74.34
PEmg	15.48
PB Ratio	1.30
Dividend Yield	1.98%
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	\$5.10	Next Fiscal Year Estimate	\$4.30
Dec2017	\$4.47	Dec2017	\$3.76
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	-\$3.98	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		
Dec2000	\$4.30		
Dec1999	\$4.13		
Dec1998	\$3.04		
		Balance Sheet Information	3/1/2018
		Long-Term Debt & Capital Lease Obligation	\$10,692,000,000
		Total Assets	\$204,885,000,000
		Intangible Assets	\$8,327,000,000
		Total Liabilities	\$180,616,000,000
		Shares Outstanding (Diluted Average)	473,620,000





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**
- [SunTrust Banks Inc Valuation – April 2017 \\$STI](#)
 - [10 Stocks for Using A Benjamin Graham Value Investing Strategy – January 2017](#)
 - [21 Best Undervalued Stocks of the Week – 8/27/16](#)
 - [Best Stocks Below Their Graham Number – August 2016](#)
 - [SunTrust Banks Inc Valuation – August 2016 \\$STI](#)

- Other ModernGraham posts about related companies**
- [Comerica Inc Valuation – June 2018 \\$CMA](#)
 - [SVB Financial Group Valuation – June 2018 \\$SIVB](#)
 - [US Bancorp Valuation – May 2018 \\$USB](#)
 - [Bank of New York Mellon Corp Valuation – May 2018 \\$BK](#)
 - [Citizens Financial Group Inc Valuation – April 2018 \\$CFG](#)
 - [BB&T Corporation Valuation – April 2018 \\$BBT](#)
 - [M&T Bank Corp Valuation – April 2018 \\$MTB](#)
 - [Bank of America Corp Valuation – March 2018 \\$BAC](#)
 - [Fifth Third Bancorp Valuation – March 2018 \\$FITB](#)
 - [Regions Financial Corp Valuation – March 2018 \\$RF](#)